Supreme Court, U. S.
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In The

Supreme Court of the United States

October Term, 1977

No. 77-168

KAMEI-AUTOKOMFORT and
SUPERIOR INDUSTRIES, INC.,

Petitioners,

v.

EURASIAN AUTOMOTIVE PRODUCTS,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

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IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1977

KAMEI-AUTOKOMFORT and
SUPERIOR INDUSTRIES, INC.,
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v.

EURASIAN AUTOMOTIVE
PRODUCTS,
Respondent.

No.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

Petitioners pray that a Writ of Certiorari issue to review the Judgment of the United States Court of Appeals for the Ninth Circuit entered on April 7, 1977, reversing the Judgment of the United States District Court for the Northern District of California and the Order denying petitioners' Petition for Rehearing entered May 5, 1977.

Opinions Below

The opinion of the District Court is reported unofficially at 185 *United States Patent Quarterly* 653, and appears at Appendix 3. herein. The opinion of the United States Court of Appeals for the Ninth Circuit, presently un-

reported, appears at Appendix 1. herein. The Order of the Appeals Court denying petitioners' Petition for Rehearing appears at Appendix 2. herein.

Jurisdiction

The Judgment of the Court of Appeals was entered on April 7, 1977, a timely decision for rehearing was denied on May 5, 1977 and this Petition for a Writ of Certiorari was filed within 90 days of that date.

The jurisdiction of this Court is invoked under 28 U.S.C. §1254(1).

Questions Presented

1. Did the Court of Appeals deprive petitioners of their property (the patent in suit) without due process of law in violation of the Fifth Amendment by designating a District Court Judge to constitute a member of the Appellate panel and assigning such District Court Judge the duty of writing the Appellate Court's opinion?

2. Did the Appellate Court fail to follow this Court's direction set forth in *Graham v. Deere* by completely ignoring the findings of fact of the District Court regarding the pertinent art involved and the evidence of an unusual or surprising result in holding the patent in suit obvious?

3. Did the conduct of the Appellate Court call for an exercise of this Court's power of supervision to prevent a grave miscarriage of justice?

Constitutional and Statutory Provisions and Rules Involved

This case involves the Due Process Clause of the Fifth Amendment of the Constitution of the United States, Rule 52(a) of the *Federal Rules of Civil Procedure* and Section 103 of Title 35 of the *United States Code.*

Statement of the Case

This is an action for patent infringement. K. Meier et al Patent No. 3,312,124 in suit is directed to a one-piece steering wheel cover formed of synthetic plastic. Plaintiff Kamei-Autokomfort is a West German company and owner of the patent in suit. Plaintiff Superior Industries, Inc. is the sole licensee under such patent. Defendant Eurasian Automotive Products imports infringing steering wheel covers from West Germany.

This case was tried before United States District Judge Alfonso J. Zirpoli, an experienced and highly respected jurist. During the five-day trial, Judge Zirpoli heard extensive testimony of fact and expert witnesses for plaintiffs and defendant, saw courtroom demonstrations and examined several exhibits. The many questions asked by the Judge indicated his attention and understanding. Thereafter, he issued a comprehensive Memorandum Opinion and Order (Appendix 3.) and detailed Findings of Fact and Conclusions of Law (Appendix 4.) holding the patent valid and infringed.

The construction and operation of the patented steering wheel cover is comprehensively set forth in Findings 8 and

9 which appear immediately herebelow:

> 8. The patent in suit (P Ex. 1) is directed to a steering-wheel cover comprising a band 3 of a synthetic plastic (such as polyvinyl chloride) having a porous foamed core and a pair of non-porous outer and inner surface skins 9a and 9b, respectively, of the same material as the core unitarily connected with the core and sandwiching the core between the skins. The band is provided with a multiplicity of throughgoing perforations which extend from the exterior of the band when it is mounted on a steering wheel to the crown of the steering wheel. In the preferred embodiment of the invention, the band is secured to the steering wheel crown by a relatively narrow tie cord 4 wound helically around the band. The foam core cushions the driver's hands. The skins provide abrasion resistance with respect to both the steering wheel and the driver's hands (TT 22). The skins also prevent any dirt or smell from entering the foam core (TT 697).
>
> 9. As set forth in the patent in suit, when the patented steering wheel cover is gripped by the driver's hands, air is forced out of the porous foam core through the perforations. Upon release of the driver's grip, air returns into the porous core through such perforations. The perforations thus permit the cover to breathe internally and additionally, permit air to be directed to the steering wheel so as to prevent sweating of the wheel. The perforations also improve the gripability of the outer cover surface. Because of such breathing, hand-over-hand steering operation over the entire

> cover eliminates stagnation within the cells of the cover's core (P. Ex. 1, Column 3, lines 42-61).

The problems inherent to prior art steering wheel covers, including a SPORT STEERING WHEEL COVER, unsuccessfully marketed by plaintiff Kamei-Autokomfort, are concisely set forth in Findings 12-14 which appear immediately herebelow:

> 12. Various covers for steering wheels have been proposed over the last approximately 30 years (TT 92). Defendant introduced into evidence many United States and foreign prior art patents and advertisements directed to steering wheel covers. Typical of prior art steering wheel covers is P. Ex. 15, consisting of a generally doughnut-shaped cover, made of terry cloth. This type of cover offered insulation from heat and cold, however, it became dirty rapidly and also slipped off the wheel easily (TT 104). Later steering wheel covers were formed of Nylon or other synthetic materials (P. Ex. 16), but suffered from the same problems (TT 105). Around 1963, a plastic or leather fabric lace-on cover was introduced (P. Ex. 17). Such cover did not slip off readily and was more durable than the terry cloth covers, but became sticky with use (TT 106, 107). Another similar prior art cover was made of leather reinforced with metal eyelets through which lacing was strung (P. Ex. 18). Such cover was uncomfortable to the driver's fingers and thumbs and also had the same problem of becoming sticky with constant use (TT 107).
>
> 13. In mid-1964, plaintiff Kamei-Autokomfort began to market a steering wheel cover under the

trademark SPORT (P. Ex. 19 and 20) (D Ex. D). The SPORT steering wheel cover consisted of a relatively thin synthetic plastic band provided with a multiplicity of pores having the approximate diameter of a small needle hole. Inwardly of the band a plastic foam sheet was secured along its edges to the sides of the band. The SPORT steering wheel cover was laced to a steering wheel.

14. The SPORT steering wheel cover suffered from the serious disadvantage that in use it became very sticky from perspiration and developed an unpleasant odor (TT 680, 688). The stickiness and unpleasant odor were exhibited by the SPORT cover introduced by defedants as D Ex. D. Also, the foam sheet of the SPORT cover would shift and bunch up underneath the nonporous cover and thereafter become torn off (TT 109, 681). The SPORT steering wheel cover was not commercially successful and experienced a very high percentage of returns from dissatisfied customers, in the order of about 40 percent (TT 703).

The District Court found that the patented steering wheel cover achieved immediate commercial success both in this country and abroad, as set forth in Findings 19, 20, 26, and 27, as follows:

> 19. The trade recognition of the patented AVUS steering wheel cover was prompt, widespread and uniformly favorable. In 1966, the first full year of AVUS sales, about 646,000 covers were sold. In 1967 about 1,215,000 were sold, followed by about 1,266,000 in 1968. Through November 30, 1973, approximately 7,867,500 AVUS covers

were sold by Kamei-Autokomfort in the United States and in other countries (TT 682, 683).

20. The patented AVUS covers were widely adopted by leading vehicle manufacturers and distributors of automotive products. Ford sells Kamei-Autokomfort's patented covers under private label (P. Ex. 31). Volkswagen also sells Kamei-Autokomfort's patented cover under a Volkswagen label (P. Ex. 30) and every Volkswagen dealer has AVUS catalog sheets (P. Exs. 36, 37) in his files (TT 685).

26. On February 19, 1968 plaintiff, Superior Industries, Inc., entered into an exclusive license agreement, under the patent in suit, with plaintiff, Kamei-Autokomfort for the United States, Canada and Mexico (P. Ex. 39). Superior Industries, Inc. manufactured and sold patented steering wheel covers under the trademark SPORT GRIP (P. Ex. 40 and 40-A). Despite the fact that Superior Industries, Inc. did not heavily advertise the patented steering wheel cover as compared to its other products (TT 98), such cover was a commercial success, as was stipulated by defendantt (TT 96). In 1968 Superior Industris sold almost 137,000 of the patented steering wheel covers; in 1969 about 536,515; in 1970 about 720,909; in 1971 approximately 1,188,481; in 1972 approximately 1,507,602; and during the first 9 months of 1973 about 1,219,599, for a total of approximately 5,310,089 at a dollar volume of about $8,207,806.00.

27. After Superior Industries, Inc., began to market its patented steering wheel cover, various

infringers of the patent in suit appeared, including Sterling Products Company, Inc. of St. Paul. In June 1970 litigation between Superior Industries, Inc. and Sterling Products Company, Inc. was settled by means of a sub-license agreement (P. Ex. 42) and Sterling Products Company, Inc. has paid Superior Industries, Inc. through the first six months of 1973, royalties in the amount of $53,112.57, based upon the sale of 521,952 units (P. Ex. 43).

The reasons for such commercial success are concisely set forth in Findings 21 and 22, which appear immediately herebelow:

21. The patented AVUS cover solved the problems inherent to the prior art covers including the SPORT steering wheel cover. The patented AVUS cover did not build up perspiration and therefore, did not get sticky as did the SPORT cover (TT 672). This was due to the fact that the SPORT cover could not breathe fresh air from outside the cover into the foam sheet (TT 499, 697). The patented AVUS cover reduced production costs because of its one-piece construction as compared to the two-piece construction of the SPORT. Additionally, since the patented AVUS cover is of one-piece unitary construction, it eliminated the disadvantage of the SPORT cvover eliminated the disadvantage of the SPORT cover that the foam sheet rolled out of the band and tore off after a certain amount of usage (TT 681). When Kamei-Autokomfort introduced the patented AVUS cover, the demand for the SPORT cover immediately dried up and Kamei-Autokomfort stopped selling the SPORT cover (TT 681).

22. Plaintiffs introduced convincing evidence that the patented steering wheel cover substantially eliminated perspiration build-up (Comstock TT 89, Borick TT 94, Felder TT 112, Fehlhaber TT 499, and Meier TT 672), and this evidence was not disputed by defendant. Such perspiration build-up was reduced because of the cover's ability to breathe air in and out of the perforations as recited by the patent in suit (TT 688). The ability of the cover to breathe through a nonporous outer skin when gripped by a driver was a result both "unusual and surprising" in the steering wheel cover art.

In accordance with the requirements set forth by this Court in *Graham v. Deere,* 383 U.S. 1, the District Court entered findings setting forth the differences between the claimed steering wheel cover and the prior art and based upon the testimony and the evidence, held the pertinent art to be *the steering wheel cover art* in Finding 36:

36. Defendant contended the patent in suit to be invalid under the provisions of 35 U.S.C. 103. Thus, defendant alleged the differences between the claimed steering wheel cover and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the pertaining art, i.e., the steering wheel cover art.

The District Court also set forth the level of skill in the steering wheel cover art in Finding 38:

38. Based upon a review of the prior patents and the testimony elicited by the parties, it would appear that a "man of ordinary skill in the per-

> taining art" as defined in 35 U.S.C. 103, at the time the invention of the patent in suit was made, would have been an individual cognizant of the problems to be solved by steering wheel covers, particularly the perspiration problem, and having some technical training in the properties of synthetic plastic materials.

The District Court found that the patented steering wheel cover provided an "unusual and surprising" result in Finding 22 (above).

Respondent urged invalidity on the basis of 35 U.S.C. 102, 103 and 112. The District Court rejected respondent's contentions of invalidity. With respect to 35 U.S.C. 103, the District Court tested the patent claims in accordance with the *Graham v. Deere* requirements and concluded such claims to be nonobvious as set forth in Conclusions 9 and 10 herebelow:

> 9. This court has carefully considered the applicability of the "nonobviousness" test set forth in 35 U.S.C. 103 as directed by the Supreme Court in *Graham v. John Deere Co.*, 383 U.S. 1 (1966):
>
> > [T]he § 103 condition, which is but one of the three conditions, each of which must be satisfied, lends itself to several basic factual inquiries. Under § 103, the scope and content of the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or nonobviousness, these inquiries may have relevancy.

383 U.S. 1 at 17-18 (1966); see also *Reeves Instrument Corp. v. Beckman Instruments, Inc.*, 444 F.2d 263 (9th Cir. 1971), *cert. denied*, 404 U.S. 951 (1971).

10. In testing Claims 1-6 and 8 of the patent in suit for nonobviousness, the court has carefully examined the scope and the content of the prior art, the differences between the prior art and the claims at issue and the level of ordinary skill in the steering wheel art. The evidence shows that others skilled in the steering wheel cover art (including Karl Meier, one of the coinventors of the patent in suit) had been unable to develop a single cover that provided a satisfactory solution to the collective problems inherent to prior art steering wheel covers, namely, the formation of perspiration resulting in stickiness and unpleasant odors, an uncomfortable feel, failure to remain securely attached to the steering wheel and breaking down after use. The patented steering wheel cover not only provided a satisfactory solution to these problems, but it did so at a low cost of production. The inventors were successful because they discovered the critical importance of providing a steering wheel cover of integral construction utilizing a porous core sandwiched between a pair

of nonporous skins having steering wheel cover to breathe through the perforations thereof when gripped by a driver to thereby substantially eliminate the buildup of perspiration on such cover was an unusual or surprising result in the steering wheel art. Accordingly, the court concludes that Claims 1-6 and 8 of the patent in suit comply with the unusual or surprising result basis of nonobviousness of 35 U.S.C. 103.

The District Court further considered the secondary considerations of *Graham v. Deere* in Conclusion 11:

> 11. Certain secondary considerations as set forth in *Graham v. John Deere Co.*, 383 U.S. 1 at 17-18, support this court's conclusion of nonobviousness. The patented steering wheel cover fulfilled a long-felt need. It was an undoubted and immediate commercial success. See *Cool-Fin Electronics Corp. v. International Electronic Research Corp., supra.* The initial skepticism with which the patented cover was received indicates nonobviousness, as does the recognition accorded such cover by the trade, including the licensee, Superior Industries, Inc. and the latter's sublicensee, Sterling Products Company, Inc.

The District Court did not stop with the *Graham v. Deere* tests, but went further and applied the "unusual or surprising" result test for nonobviousness required by the Ninth circuit. The patent claims also met this test as indicated by Conclusion 12:

> 12. With respect to 35 U.S.C. 103, applying the requirement of an "unusual or surprising result" as a basis for nonobviousness as directed in the case of *Hewlett-Packard Co. v. Tel-Design, Inc.*, 460 F.2d 625 (9th Cir. 1972), the court concludes that plaintiffs have established that the ability of the patented steering wheel cover to breathe through the perforations thereof when gripped by a driver to thereby substantially eliminate the buildup of perspiration on such cover was an unusual or surprising result in the steering wheel art. Accordingly, the court concludes that Claims 1-6 and 8 of the patent in suit comply with the unusual or surprising result basis of nonobviousness of 35 U.S.C. 103.

The Ninth Circuit Court of Appeals panel consisted of two Ninth Circuit Judges and a senior District Judge from Lincoln, Nebraska, sitting by designation. Such District Court Judge has previously been designated to serve on Eighth Circuit Court of Appeals panels and petitioners' research indicates he has yet to hold a patent valid while serving on such panels. The Appellate Court's opinion in this case was written by the Nebraska District Judge. The Eighth Circuit Court of Appeals is well-known as the "graveyard of patents" in view of such court's propensity to hold patents invalid.

The Appellate Court reversed the District Court's opinion holding the patent in suit to be invalid and not infringed. The opinion, however, contains no basis upon which to hold the patent not infringed other than the invalidity ruling.

The opinion of the Appellate Court indicates that such Court found the District Court's findings and conclusions

on obviousness clearly erroneous under the standard of review for a 35 U.S.C. 103 case. Apparently the Appellate Court felt the findings of fact to be "clearly erroneous" even giving due regard to the opportunity of the District Court to judge the credibility of the witnesses, per F.R.C.P. Rule 52(a). It is not at all clear to petitioners which findings the Appellate Court felt were clearly erroneous, except with respect to the findings as to the pertinent art involved, and whether or not the patented steering wheel cover provided unusual or surprising results. The Appellate court held that the pertinent art was that of "making polyvinyl chlorides" rather than the steering wheel cover art and that the ability of the patented steering wheel cover to breathe so as to prevent perspiration build-up was not an unusual or surprising result.

The invalidity ruling of the patent in suit by the Ninth Circuit Appellate Court has destroyed a valuable property right of plaintiffs. In particular, inferior steering wheel covers made in accordance with the patent in suit can now be expected to flood the U.S. market, causing plaintiff Superior Industries, Inc. to lose many sales. Such loss of sales in turn can result in loss of employment for Superior Industries' employees heretofore involved in assembling and packaging the patented steering wheel covers.

Reasons for Granting the Writ

A.

Petitioners have been deprived of their property (the patent in suit) without due process of law in violation of the Fifth Amendment by the designation of a District Court Judge to constitute a member of the Appellate panel and assigning such District Court Judge the duty of writing the Panel's opinion.

Patents have the attributes of personal property: 35 U.S.C. § 261. The patent owner has a vested property right that can be cancelled, revoked or amended only by judicial proceedings that afford due process of law: *Iowa State University Research v. Sperry Rand Corp.*, (C.A. 4, 1971), 444 F.2d 406, 409.

The fundamental requisite of due process of law is the opportunity to be heard: *Grannis v. Ordean*, (1914), 234 U.S. 385, 394. Petitioners submit that due process requires not only that judicial proceedings be held, but that they provide the patent owner with a "fair opportunity procedurally, substantively and evidencially to pursue his claim": *Blounder Tongue v. University Foundation*, (1971), 402 U.S. 313. A holding of patent invalidity, in effect, destroys a patent owner's property. It amounts to a taking of his property. If the holding of

invalidity is based on proceedings which so far depart from accepted standards that they do not offer a patent owner such a "fair opportunity", petitioners submit that the property, the patent, is taken without due process of law. In this case, petitioners were deprived of a fair opportunity procedurally to pursue their claim. The Ninth Circuit Court of Appeals, rather than providing a panel of three Circuit Judges, designated a Nebraska District Court Judge as a third member of the panel. Moreover, such Judge was assigned the duty of writing the panel's opinion. This precluded petitioners from receiving equal treatment with respect to litigants whose cases have been heard before Appellate panels made up of three Circuit Judges. Certainly a Nebraska District Court Judge cannot be expected to have the same appellate experience and expertise possessed by a Ninth Circuit Justice. In this case, the patent in suit was, in fact, doomed the moment the Nebraska Judge was assigned to write the panel's opinion in view of his hostile-to-patents Eighth Circuit background.

While it might be argued that a scarcity of Circuit Judges requires designation of District Court Judges, this is no excuse for denying petitioners the same opportunity for proper appellate procedure afforded to litigants fortunate enough to appear before panels made up of three Circuit Court Justices. Judicial economy cannot be held a fair reason for such denial. This Court has in its civil rights decisions required the expenditure of literally millions of dollars to effect racial balance in schools, as for example by busing. In other cases, this Court has caused the expenditure of literally millions of dollars to obtain equal

treatment under the law for indigents, e.g., by requiring court-appointed lawyers and by providing free trial transcripts.

Petitioners are aware of 28 U.S.C. § 292, permitting the designation of a district Court Judge to sit upon a Court of Appeals whenever the Chief Judge of the Circuit believes the business of the Court so requires. For the reasons set forth hereinabove, petitioners respectfully submit that such code section is violative of petitioners' constitutional rights.

Petitioners are not protesting the failure to provide a bona-fide appellate panel in a vacuum. Instead, for the reasons set forth in the next section, petitioners are convinced the caliber of the appellate opinion in this case falls far below the judicial mark to be expected from a Ninth Circuit appellate panel.

B.

The Appellate Court completely ignored the findings of fact of the District Court regarding the pertinent art involved in testing a patent for obviousness and the evidence of an unusual or surprising result.

This Court in *Graham v. Deere* stated that "The Section 103 condition (nonobviousness) . . . lends itself to several basic factual inquiries" including the level of ordinary skill "in the pertinent art". In this case, the District Court held the pertinent art to be the steering wheel cover art. As to the level of a person of ordinary skill in the steering

wheel cover art, the District Court held that he would be an "individual cognizant of the problems to be solved by steering wheel covers particularly the perspiration problem and having some technical training in the properties of synthetic plastic material". Such findings of fact were based upon the Court's exposure to the witnesses and the evidence, including the fact that the inventors of the patent in suit were in the business of manufacturing and selling steering wheel covers, not in the plastics processing business.

The Appellate Court in this case, however, completely ignored such findings and instead substituted its own findings that the pertinent art would be that of "making polyvinyl chlorides", and that the level of skill in such art would be "fair'y high". The Appellate Court did not refer to any evidence upon which it based such findings as to the pertinent art and the level of skill therein. It can only be assumed that the Appellate Court entertained a presumption as to the pertinent art and the level of skill therein. The Appellate Court clearly overlooked the fact that the patent in suit is not directed to "making polyvinyl chlorides", but is directed to a "Steering-Wheel Assembly For Automotive Vehicles", as indicated by its title and the claims. The Appellate Court also overlooked the fact that the problems with steering wheel covers would be known to and solved by persons skilled in the steering wheel cover art. Persons in the plastics processing art would not even be aware such problems existed. Once the Appellate Court made such unsubstantiated findings, it was easy for it to conclude that one having a "fairly high" skill in "making polyvinyl chlorides" could develop the material

from which the patented steering wheel cover is fabricated. Clearly, however, this Court, in setting up the standards of *Graham v. Deere*, did not contemplate testing obviousness based upon an Appellate Court's presumption as to the pertinent art and the level of skill therein.

The District Court, relying upon the trial testimony and exhibits, found that the patented steering wheel cover produced unusual and surprising results in the steering wheel cover art. Such findings were based upon undisputed "convincing evidence that the patented steering wheel cover substantially eliminated perspiration build-up", with such perspiration build-up being reduced because of the cover's ability to breathe in and out of the perforations when gripped by a driver. The Apellate Court made its own finding of fact that the patented steering wheel cover produced no surprising results because the patented steering wheel covers perform in the "manner one would expect, given the prior art".

The Appellate Court's de novo resolution of factual issues is violative of the directives of this Court and are the antithesis of the true reviewing function of an Appellate Court. The Appellate Court surely did not heed this Court's admonition in *Zenith v. Hazeltine*, 395 U.S. 100, 123, that:

> "In applying the clearly erroneous standard to the findings of a district court sitting without a jury, appellate courts must constantly have in mind that their function is not to decide factual issues de novo. The authority of an appellate court, when reviewing the findings of a judge as well as those of

> a jury, is circumscribed by the deference it must give to decisions of the trier of the fact, who is usually in a superior position to appraise and weigh the evidence."

The Appellate Court's treatment of this case is also at odds with this Court's statement in *United States v. National Association of Real Estate Boards,* 339 U.S. 485, 495-496, as follows:

> "It is not enough that we might give the facts another construction, resolve the ambiguities different, and find a more sinister case to actions which the District Court apparently deemed innocent. ***We are not given those choices, because our mandate is not to set aside findings of fact 'unless clearly erroneous'."

That the District Court's findings of fact were not "clearly erroneous" will be clear from the complete absence in the Appellate Court's opinion of reference to any evidence which would render such findings clearly erroneous. Thus, the Appellate Court did not and could not refer to any testimony that the pertinent art involved is that of "making polyvinyl chlorides", and that the level of skill in such art would be "fairly high". Similarly, the Appellate Court's opinion does not refer to any testimony which would justify its finding that the patented steering wheel covers perform in the manner one would expect given the prior art.

C.

> *The conduct of the Appellate Court in this case calls for an exercise of this Court's power of supervision to prevent a grave miscarriage of justice.*

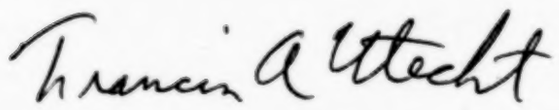
As set forth hereinabove, the Appellate Court in this case designated a Nebraska District Court Judge to the panel and entrusted him with the preparation of the panel's opinion. Petitioners contend that such procedure precluded petitioners from receiving equal treatment with respect to litigants whose cases have been heard before Appellate panels made up of three Circuit Judges, and thereby resulted in a denial to petitioners of due process.

Petitioners further contend that the Appellate Court's opinion is at odds with this Court's direction set forth in *Graham v. Deere* that obviousness be tested with reference to the level of skill in the *pertinent art.* The Appellate Court ignored the sound findings of fact of the District Court and substituted for such findings its own findings which are not supported by the record. The result was a loss of petitioners' valuable patent. In the interest of a competent and fair determination of the validity of the patent in suit, as well as a long overdue direction to the Ninth Circuit Court of Appeals regarding its conduct of future patent infringement appeals, this Court's power of supervision should be exercised.

Conclusion

For the reasons set forth hereinabove, this Petition for Certiorari should be granted.

Respectfully submitted,



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APPENDIX

APPENDIX 1

UNITED STATES COURT OF APPEALS
NINTH CIRCUIT
OPINION ENTERED
APRIL 7, 1977

KAMEI-AUTOKOMFORT,
a corporation of Germany,
and
SUPERIOR INDUSTRIES, INC.,
a corporation,

Plaintiffs-Appellees,

v.

EURASIAN AUTOMOTIVE PRODUCTS
(formerly GUS MOZART),

Defendant-Appellant.

No. 75-2383

In a patent infringement suit the United States District Court for the Northern District of California, Alfonso J. Zirpoli, J., found the patent valid and infringed, and defendant appealed. The Court of Appeals, Van Pelt, Senior District Judge, held that secondary factors are not controlling on issue of obviousness where there is a lack of invention, that anticipation is strictly a technical defense and that patent No. 3,312,124 covering perforated synthetic plastic steering wheel cover with a porous foam core, is invalid and was not infringed.

Reversed and remanded for further proceedings.

1. Patents 328(2)

Patent No. 3,312,124 covering a perforated synthetic plastic steering wheel cover with a porous foam core, is invalid on ground of obviousness and was not infringed. 35 U.S.C.A. § 103.

2. Patents 112.1

A patent is presumed valid unless there is a showing that prior art was not brought to the attention of the patent examiners. 35 U.S.C.A. § 282.

3. Patents 16.7, 16.9, 18, 36.2(1)

Secondary conditions such as long felt need, commercial success, solution of problems encountered with earlier devices and acceptance of a sublicensing agreement with a competitor are not controlling on issue of obviousness where there is a lack of invention. 35 U.S.C.A. § 103.

4. Patents 18, 51(1)

Anticipation is strictly a technical defense; just because a patent was not anticipated by prior art does not mean that it would not have been obvious in light of prior art.

5. Patents 66(1)

Merely because a product may not have been made in accordance with a patent does not invalidate the patent as prior art. 35 U.S.C.A. § 103.

6. Patents 18, 26(2)

Where a combination patent combines old elements, there is a requirement that the patent produce an unusual

or surprising result in order to be nonobvious. 35 U.S.C.A. § 103.

Appeal from the United States District Court For the Northern District of California.

Before BROWNING and KILKENNY, Circuit Judges, and VAN PELT, Senior District Judge.*

VAN PELT, Senior District Judge.

This is a patent infringement suit brought by Kamei-Autokomfort (Kamei), a company from West Germany, and Superior Industries, Inc. (Superior), a California corporation, against Eurasian Automotive Products (Eurasian), a California corporation. Kamei is the owner of U.S. Patent No. 3,312,124 (the Meier patent), which was applied for on December 13, 1965 and granted April 4, 1967. Kamei has licensed it solely and exclusively to Superior. The subject matter of the patent is a perforated synthetic plastic steering wheel cover with a porous foam core. Eurasian contended in the lower court that the Meier patent was invalid and that alternatively the steering wheel covers sold by Eurasian[1] did not infringe the Meier patent. The district court found the patent valid and infringed.

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* Honorable Robert Van Pelt, Senior United States District Judge, Lincoln, Nebraska, sitting by designation.

1. Eurasian only sells the allegedly infringing covers; they are made by a German company.

On appeal, Eurasian contends that the district court should have found the Meier patent void for obviousness under 35 U.S.C. § 103 in that:

1) No prior art references were cited to the patent examiner;

2) There were prior art references using the same operative elements as incorporated in the Meier patent;

3) The level of skill in the industry was high, and it would have been obvious to make a cover with the elements and design of the Meier patent; and

4) It was not shown that the patented cover actually breathes (as the District Court concluded in its Findings of Fact Nos. 9, 22, and 34 and Conclusion of Law No. 12)[2] as opposed to absorbs moisture.

Appellant also contends that the district court erred in finding the Meier product claims valid when in fact Meier used an old material which was patentable only as a process under 35 U.S.C. § 100(b) and § 101.

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2. Findings of Fact Nos. 9, 22, and 34 are as follows:

> 9. As set forth in the patent in suit, when the patented steering wheel cover is gripped by the driver's hands, air is forced out of the porous foam core through the perforations. Upon release of the driver's grip, air returns into the porous core through such perforations. The perforations thus permit the cover to breathe internally and additionally, permit air to be directed to the steering wheel so as to prevent sweating of the wheel. The perforations also improve the gripability of the outer cover surface. Because of such breathing, hand-over-hand steering operation over the entire cover eliminates stagnation within the cells of the cover's core (P Ex. 1, Column 3, lines 42-61).
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> 22. Plaintiffs introduced convincing evidence that the patented steering wheel cover substantially eliminated perspiration buildup (Comstock TT 89, Borick TT 94, Felder TT 112, Fehlhaber TT 499, and Meier TT 672), and this evidence was not disputed by defendant. Such perspiration build-up was reduced because of the cover's ability to breathe air in and out of the perforations as recited by the patent in suit (TT 688). The ability of the cover to breathe through a nonporous outer skin when gripped by a driver was a result both "unusual and surprising" in the steering wheel cover art.
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> 34. Defendant finally contended the patent in suit to be invalid under the provisions under 35 U.S.C. 112 on the basis that the claims of the patent in suit define the steering wheel cover core as being a "porous" foamed material. The word "porous", according to defendant, standing alone, is indefinite as not meeting the second paragraph of 35 U.S.C. 112. The specifi-

[1] We are convinced that the trial court's findings and conclusions on obviousness are clearly erroneous under the standard of review for a § 103 case. *Saf-Gard Products, Inc. v. Service Parts, Inc.*, 532 F.2d 1266 (9th cir.), *cert. denied*, —U.S.—, 97 S.Ct. 258, 50 L.Ed.2d 179, 45 U.S.L.W. 3302 (1976). The judgment of the district court is reversed and the Meier patent is found to be invalid and not infringed.

The Meier patent consists of the following:

1) A nonporous inner skin (next to the steering wheel);

2) A porous foam core; and

3) A nonporous outer skin,

processed together in a unitary band of synthetic plastic in which the core is the same material as the skins. There are a multiplicity of perforations going through the entire band, and the band is held on to the steering wheel by a narrow tie cord wound helically around the band. Kamei markets a steering wheel cover which is made substantially in accord with the patent[3] under the trade name

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cation of the patent in suit, however, clearly describes the porousity [sic] of the core as being adequate to permit air to be forced in and out of such cellular foam through the perforations when the operator grips the steering wheel to permit the cover to breathe internally and to permit the production of a pumping action which eliminates any possibility of stagnation within the cells of the core (Ex. 1, column 3, lines 50-61).

Conclusion of Law No. 12 is as follows:

12. With respect to 35 U.S.C. 103, applying the requirement of an "unusual or surprising result" as a basis for nonobviousness as directed in the case of *Hewlett-Packard Co. v. Tel-Design, Inc.*, 460 F.2d 625 (9th Cir. 1972), the court concludes that plaintiffs have established that the ability of the patented steering wheel cover to breathe through the perforations thereof when gripped by a driver to thereby substantially eliminate the buildup of perspiration on such cover was an unusual or surprising result in the steering wheel art. Accordingly, the court concludes that Claims 1-6 and 8 of the patent in suit comply with the unusual or surprising result basis of nonobviousness of 35 U.S.C. 103.

3. Mr. Comstock, a Los Angeles patent attorney who was a witness for plaintiffs, testified that plaintiffs' covers were manufactured in accordance with all claims of the patent except Claim 7 which provides for winding the tie band helically around the steering wheel crown. The trial court did not consider Claim 7 since it concluded it was not at issue. There was also testimony from R. Nass, a defense witness

"AVUS." Kamei contends that what makes their steering wheel cover unique is that, as a result of the perforations going through the materials, it "breathes" thereby eliminating perspiration of the drivers' hands. Kamei also claims that, unlike other covers, the AVUS does not become sticky or have an unpleasant odor after extended periods of use.

[2, 3] Kamei was apparently so confident of the uniqueness of their patent that they failed to cite a single prior art reference to the patent examiner. A patent is presumed valid under 35 U.S.C. § 282 unless there is a showing that prior art was not brought to the attention of the patent examiners. *Deere & Co. v. Sperry Rand Corp.*, 513 F.2d 1131 (9th Cir.), *cert. denied,* 423 U.S. 914, 96 S.Ct. 218, 46 L.Ed.2d 142 (1975); *Hewlett-Packard Co. v.*

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with expertise in polyvinyl chloride technology, that the description in the patent for making the foam core and skins did not conform to general commercial practices and "that were I to attempt to follow this as precisely worded in this [patent] description, it would be impossible to make a product." T. III, p. 380, l. 14-16. Furthermore, an employee of Freudenberg, the company who manufactures the material for Kamei's covers, admitted that they produce the material by a countercoating process, not a calendaring process as called for in the patent. The difference between the two appears to be whether the gelation of the skin and fusion of the foam occur simultaneously (as in countercoating), or whether the initial skin is formed separately from the foam (as in calendaring). It should also be noted that the testimony raised some question as to whether the calendaring process could produce a substantially open cell (porous) foam. Mr. Nass testified that he did not think a porous foam could be made by calendaring, and Freudenberg's employee testified he did not know of anyone who made a porous foam by the calendaring process.

Tel-Design, Inc., 460 F.2d 625 (9th Cir. 1972). Therefore, there is no presumption of validity here. The district court did consider the prior art in both its memorandum opinion and findings of fact and conclusions of law; it found that the patent in question was not obvious. However, we note the memorandum opinion closely follows the findings of fact and conclusions of law which were prepared by appellees and adopted virtually unchanged. We have previously stated:

> While it may be permissible for a judge to adopt findings proposed by a counsel in complex patent cases, . . . an appellate court will scrutinize them more carefully than findings which are the product of the judge's own independent thought and research.

Burgess & Associates, Inc. v. Klingensmith, 487 F.2d 321, 324-25 (9th Cir. 1973) (citations omitted). A review of the findings on obviousness in this case[4] shows emphasis on

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4. Conclusions of Law Nos. 9, 10, and 11 were directed toward the obviousness issue. They provide:

> 9. This court has carefully considered the applicability of the "nonobviousness" test set forth in 35 U.S.C. 103 as directed by the Supreme Court in *Graham v. John Deere Co.*, 383 U.S. 1, 86 S.Ct. 684, 15 L.Ed.2d 545 (1966):
> [T]he § 103 conditions, which is but one of the three conditions, each of which must be satisfied, lends itself to several basic factual inquiries. Under § 103, the scope and content of the prior art 111 and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to

> the circumstances surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or nonobviousness, these inquiries may have relevancy. 383 U.S. 1 at 17-18, 86 S.Ct. 684, at 694, 15 L.Ed.2d 545 (1966); see also *Reeves Instrument Corp. v. Beckman Instruments, Inc.*, 444 F.2d 263 (9th Cir. 1971), *cert. denied*, 404 U.S. 951, 92 S.Ct. 283, 30 L.Ed.2d 268 (1971).
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> 10. In testing Claims 1-6 and 8 of the patent in suit for nonobviousness, the court has carefully examined the scope and the content of the prior art, the differences between the prior art and the claims at issue and the level of ordinary skill in the steering wheel art. The evidence shows that others skilled in the steering wheel cover art (including Karl Meier, one of the coinventors of the patent in suit) had been unable to develop a single cover that provided a satisfactory solution to the collective problems inherent to prior art steering wheel covers, namely, the formation of perspiration resulting in stickiness and unpleasant odors, an uncomfortable feel, failure to remain securely attached to the steering wheel and breaking down after use. The patented steering wheel cover not only provided a satisfactory solution to these problems, but it did so at a low cost of production. The inventors were successful because they discovered the critical importance of providing a steering wheel cover of integral construction utilizing a porous core sandwiched between a pair of nonporous skins having throughgoing perforations to permit the cover to breathe when gripped by the driver. The failure of those skilled in the steering wheel cover art at the level of skill existing at the time the invention of the patent in suit was made to solve the aforementioned problem is a weighty indication that the patented discovery was not obvious. See *Reeves Instrument Corp. v. Beckman Instruments, Inc.*, 444 F.2d 263 (9th Cir.) *cert. denied*, 404 U.S. 951, 92 S.Ct. 283, 30 L.Ed.2d 268 (1971); *Neff Instrument Corp. v. Cohu Electronics, Inc.*, 298 F.2d 82 (9th Cir. 1961); *Cool-Fin Electronics Corp. v. International Electronic Research Corp.*, 491 F.2d 660 (9th Cir. 1974).
>
> 11. Certain secondary considerations as set forth in *Graham v. John Deere Co.*, 383 U.S. 1 at 17-18, 86 S.Ct.

secondary considerations such as long felt need, commercial success, solution of earlier steering wheel cover problems and acceptance of a sublicensing agreement by Sterling Products Company, Inc., which had previously been in competition with Superior. However, those factors are not controlling where there is a lack of invention, *Hewlett-Packard Co. v. Tel-Design, Inc., supra,* at 630-31, and obviousness is clear, *Walker v. General Motors Corp.,* 362 F.2d 56 (9th Cir. 1966).

> In considering obviousness:
>
> the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved.

Graham v. John Deere Co., 383 U.S. 1, 17, 86 S.Ct. 684, 694, 15 L.Ed.2d 545 (1965).

[4] In reviewing the scope of the prior art, we find a variety of devices[5] that have been made along the same lines as the Meier patent. Mr. Alfons Wassmeier, a

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684, 15 L.Ed.2d 545, support this court's conclusion of nonobviousness. The patented steering wheel cover fulfilled a long-felt need. It was an undoubted and immediate commercial success. See *Cool-Fin Electronics Corp. v. International Electronic Research Corp., supra.* The initial skepticism with which the patented cover was received indicates nonobviousness, as does the recognition accorded such cover by the trade, including the licensee, Superior Industries, Inc. and the latter's sub-licensee, Sterling Products Company, Inc.

5. The products ranged all the way from a handball mitt with a porous foam core and nonporous skin with perforations to shoe soles, pram handles and steering wheels with holes.

defense witness, who is a German patent attorney, described Exhibits P1 and P2 as a pad for car seats which has a porous foam core and integral nonporous skin and throughgoing perforations. Exhibits T1 and T2, a French patent, was also described by Mr. Wassmeier as an automobile seat with "a porous foamed material as a core, covered with a nonporous skin" and throughgoing perforations. T II, p. 221, l. 4-5. The object of both devices seems to be eliminating stickiness or perspiration. The district court dismissed these various devices because "all of the same elements of such patent claims are not found in exactly the same situation and united in the same way to perform an identical function" as required for the defense of anticipation. Conclusion of Law No. 8. Appellant has not challenged the district court's finding there was no anticipation of the Meier patent. However, as was pointed out in *Walker, supra* (also cited by the district court), anticipation is strictly a technical defense. Just because a patent was not anticipated by prior art does not mean it would not have been obvious in light of prior art. *See Walker, supra.* While the foregoing seat covers are not decisive of this case, we believe they are similar enough in their elements or functions that they could be considered within the scope of the prior art on the issue of obviousness.[6] The district court apparently accorded them little, if any, weight on that issue.

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6. *See Aerotec Industries of Calif. v. Pacific Scientific Co.,* 381 F.2d 795 (9th Cir. 1967) where such diverse products as a device to prevent a cow from kicking over the milk bucket while she is being milked and a trolley catcher were prior art for a safety device used with body harnesses in planes or cars to restrain passengers' body movements in the event of violent motion.

[5] There were also steering wheel covers which had incorporated many of the elements relied upon by the Meier patent. German Utility Model No.1,681,102 (the Lupke patent) had an inner porous foam core with a synthetic outer cover and perforations in the outer cover. There are slight differences between Lupke and Meier: Lupke does not have an inner skin, it is unclear that Lupke's synthetic cover was to be of nonporous nature, and Lupke's perforations are not throughgoing. Yet we think it is clear that the object of the Lupke patent was to absorb moisture and maintain a dry wheel surface. The district court did not mention Lupke in its references to prior art. We believe that it is too relevant to be ignored. No evidence was introduced in the trial as to Lupke's performance in use. German Utility Model No. 1,901,944 (a prior Meier patent), called for construction similar to the Lupke patent; a two layer band consisting of an inner porous foam sheet with a thin synthetic plastic outer skin and perforations through the skin. Kamei marketed a cover called the SPORT under this patent starting in mid-1964.[7] The SPORT experienced a high rate of returns from dissatisfied customers in that it became sticky and had an unpleasant odor from perspiration and the foam next to the steering wheel shifted and tore underneath the

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7. It appears that the SPORT may not have actually had a porous core, or else the Meiers would not have approached Freudenberg about developing a material "with open cells and good feeling and which must be perforated." T. IV, p. 478, l. 2-3. We do not feel that it invalidates the patent as prior art, simply because the product may not have been made in accord with the patent. This may have also been a factor in the problems the SPORT encountered in use.

cover. Essentially, the Meier patent solved these problems by placing a tough nonporous inner skin next to the wheel so the foam would not tear, and by making the perforations go all the way through the foam and inner skin "to permit the cover to breathe."[8] The question becomes whether these changes would have been obvious in light of the level of skill in the art. We believe they would have.

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8. Conclusion of Law 10 provides in part:

> The inventors were successful because they discovered the critical importance of providing a steering wheel cover of integral construction utilizing a porous core sandwiched between a pair of nonporous skins having throughgoing perforations to permit the cover to breathe when gripped by the driver.

However, there was testimony at trial that it made no difference whether the perforations were throughgoing as to the amount of air expelled as long as the core were open cell. Mr. Nass testified for defendant on direct examination:

> A. If I understand your question correctly, you are asking me if the amount of air that could be expelled on compression would be the same whether or not the perforations of the surface skin went all the way through the foam or reached down only partially into the foam?
> Q. Right, that's correct.
> A. Assuming that the foam is essential or wholly porous?
> Q. Wholly porous.
> A. Or open-cell construction.
> Then my answer is that it would be relatively immaterial whether the holes went all the way through or not, because there would still be interconnection or channelling of cells, so that all the cells theoretically would be connected in one way or another to the holes.

T. III, p. 358, l. 3-17.

It appears that throughgoing perforations would become more important in foam that was not wholly porous, because the mere cutting of holes through the foam would convert some closed cells into open ones. Dr. Feldhaber, a witness for

It would seem obvious that one could strengthen the foam by making a tough inner skin through the process of either calendaring or reverse roll coating.[9] It appears that the level of skill in either process is fairly high, and that anyone familiar with making polyvinyl chlorides would be aware of both processes. An example of this level of skill is demonstrated by the fact the Meier patent did not clearly describe how the foam core was to be made in the calendaring process. Mr. Nass testified:

> If I were making it myself, I would know immediately from reading this that this could no be mediately from reading this that this could not be carried out, and I would look for other ways.

THE COURT: Would you know what to do?

THE WITNESS: Yes, I would.

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plaintiffs, who is employed by Freudenberg (the company which produces the material for Kamei's covers) admitted on cross-examination that if you have a 95% closed cell structure and a customer wants 65%, you could convert it to a partially open structure by making fine needle punctures. While the patent calls for a porous core, the porosity of Kamei's covers was in substantial dispute. Witnesses for both plaintiffs and defendant agreed that a porous foam would be 65-75% open cell. Dr. Feldhaber testified that the material produced for Kamei was 65% open cell. Mr. Nass testified that you could not make it Freudenberg's way and achieve a 65% open cell structure, and that the percent of open cells would not be greater than 55% or 60%. Thus, the throughgoing perforations may be an essential feature of Kamei's patent only because the foam is not originally 65% porous.

9. See Note 2 for a simplified explanation of the differences between these two processes.

THE COURT: Would anyone learned in the art know what to do?

THE WITNESS: Yes, they would; and certainly prior to the date of this patent.

T. III. p. 383, l. 14-22. U.S. Patent No. 2,964,799, issued December 20, 1960, discloses a method of making plastic foam laminates. Plaintiffs' counsel at one point acknowledged that the "material has been around for years, but nobody had enough sense to make it into a wheel cover." T. III, p. 414, l. 2-3. U.S. Patent No. 2,748,863 was issued June 5, 1956 and pertains to a perforating machine for thermoplastic films. Obviously, work in this area had been done in the United States long before Freudenberg started experimenting in Germany to produce a new material for Kamei.

[6] Where a combination patent combines old elements, there is a requirement that the patent produce an unusual or surprising result in order to be nonobvious. *Hewlett-Packard Co. v. Tel-Design, Inc., supra; Regimbal v. Scymansky,* 444 F.2d 333 (9th Cir. 1971). The trial court found this cover to be an invention because of its unusual and surprising ability to breathe. There was a substantial conflict at trial regarding whether the covers as manufactured actually breathe, and if so, how much; Eurasian urges on appeal that they absorb rather than breathe. We believe that whether the patented covers breathe or absorb, and whether the foam is 65% or 55% open cell, the covers perform in the manner one would expect, given the prior art. Granted they may have a higher degree of efficiency than the prior art, but merely making a foam

core with a higher degree of open cells or making an inner skin to prevent tearing and shifting of the foam are minor refinements which produce no surprising results. What we have here is:

> an improved product but not an innovatively different one. . . . [W]e see the development and refinement of an old concept . . . but not an inventive or new approach to the problem.

Rex Chainbelt Inc. v. Harco Products, Inc., 512 F.2d 993, 1000 (9th Cir.), *cert. denied*, 423 U.S. 831, 96 S.Ct. 52, 46 L.Ed.2d 49 (1975). *See also Sakraida v. Ag Pro, Inc.*, 425 U.S. 273, 96 S.Ct. 1532, 47 L.Ed.2d 784 (1976).

The judgment holding U.S. Patent No. 3,312,124 valid and infringed is reversed. In view of the above, the district court's cost order awarding costs to the apellees is hereby vacated and we remand to the district court for a result consistent with this opinion.

APPENDIX 2

IN THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

KAMEI-AUTOKOMFORT,
a corporation of Germany,
and
SUPERIOR INDUSTRIES, INC.,
a corporation,

Plaintiffs-Appellees,

v.

EURASIAN AUTOMOTIVE PRODUCTS
(formerly GUS MOZART)

Defendant-Appellant.

No. 75-2383

Before: BROWNING and KILKENNY, Circuit Judges, and VAN PELT, Senior District Judge*

Appellees' claim that we entirely overlooked *Cataphote Corp. v. DeSoto Chemical Coatings, Inc.*, 356 F.2d 24, 26 (9th Cir. 1966), is groundless. Here, as distinguished from *Cataphote*, we have a definite and firm conviction that a mistake was committed by the trial judge. Consequently, his findings were clearly erroneous. Headnote one of our opinion makes this clear.

The Petition for Rehearing is denied.

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*The Honorable Robert Van Pelt, Senior Judge, District of Nebraska, sitting by designation.

APPENDIX 3

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT
OF CALIFORNIA

KAMEI-AUTOKOMFORT,
a corporation of Germany,
and
SUPERIOR INDUSTRIES, INC.,
a corporation,

Plaintiffs,

vs.

EURASIA AUTOMOTIVE PRODUCTS,

Defendants.

No. C-72-289 AJZ

MEMORANDUM OPINION AND ORDER

This is an action for infringement of United States Letters Patent No. 3,312,124, issued April 4, 1967, and entitled STEERING-WHEEL ASSEMBLY FOR AUTOMOTIVE VEHICLES. The claimed invention relates to a steering wheel assembly for automotive vehicles and, more particularly, for a steering wheel cover (hereinafter referred to as AVUS) adapted to improve the grip of the operator upon the steering wheel and to eliminate inconveniences resulting from extreme steering wheel temperatures.[1]

Plaintiff, Kamei-Autokomfort (Kamei), the owner of the patent in suit, is a West Germany company having its place of business in West Germany.

Plaintiff, Superior Industries, Inc. (Superior), a California corporation, is the sole and exclusive licensee under the patent in suit by means of a license agreement entered into with Kamei.

Defendant, Eurasia Automotive Products (Eurasia), a California corporation, has been charged with

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1. The claims of the patent in suit are 1-6 and 8. They read as follows:

1. In a steering-wheel assembly having a steering-wheel crown, the improvement which comprises a steering-wheel cover enveloping said crown and formed from a band having a core of porous foamed material and a pair of nonporous surface skins of said material unitarily connected with said core and sandwiching said core between them, said band being provided with a multiplicity of throughgoing perforations extending substantially to said crown.

2. The improvement defined in claim 1 wherein said band is formed with beveled longitudinal edges overlappable upon encompassing said steering-wheel crown in said band.

3. The improvement defined in claim 1, further comprising a relatively narrow tie cord wound generally helically around said band for securing it to said steering-wheel crown, said tie cord having a generally flattened elliptical cross-section and bearing with a broad surface against said band.

4. The improvement defined in claim 3 wherein said tie cord is composed of an elastic material.

5. The improvement defined in claim 3 wherein said tie cord is secured at one end thereof to said band and is formed at said end with a relatively short tying portion, the remainder of said tie cord being windable around said band on said crown.

6. The improvement defined in claim 5 wherein said band has a pair of extremities drawing together at a seam, said tie cord being secured to said band at said seam.

7. . . . .

8. The improvement defined in claim 1 wherein said band is composed of an elastic thermoplastic material.

wilful and wanton infringement of the patent in suit within this district by selling an automotive steering wheel cover made in accordance with the patent in suit without the authorization of plaintiffs.

At the time of the filing of the complaint the named defendant was Gus Mozart, doing business as Eurasia Automotive Products. Since, the parties have stipulated that the proper defendant is Eurasia Automotive Products, a California corporation, and that the pleadings are all deemed to be amended accordingly.

There is no question that the covers made and sold by Eurasia were made and sold without the authorization of plaintiffs. In defense of the action Eurasia contends: (1) that the patent in suit is invalid, and (2) that Eurasia's steering wheel covers do not infringe the patent in suit.

PLAINTIFFS' PATENT

The patent in suit is directed to a steering wheel cover comprising a band of a synthetic plastic (such as polyvinyl chloride) having a porous foamed core and a pair of nonporous outer and inner surface skins, respectively, of the same material as the core unitarily connected with the core and sandwiching the core between the skins. The band is provided with a multiplicity of throughgoing perforations which extend from the exterior of the band when it is mounted on a steering wheel to the crown of the steering wheel. In the preferred embodiment of the invention, the band is secured to the steering wheel crown by a rela-

tively narrow tie cord wound helically around the band. The foam core cushions the driver's hands.

The skins provide abrasion resistance with respect to both the steering wheel and the driver's hands. The skins prevent any dirt or smell from entering the foam core.

When the patented steering wheel cover is gripped by the driver's hands, air is forced out of the porous foam through the perforations. Upon release of the driver's hands, air returns into the porous core through such perforations. The perforations thus permit the cover to breathe internally and additionally permit air to be directed to the steering wheel so as to prevent sweating of the wheel. The perforations also improve the gripability of the outer cover surface. Because of such breathing, hand-over-hand steering operation over the entire cover eliminates stagnation within the cells of the cover's core.

VALIDITY OF THE PATENT

Defendant made a three-pronged attack on the validity of the patent, claiming (1) that there was a failure to comply with 35 U.S.C. section 112 because of indefiniteness; (2) that the patent is invalid under 35 U.S.C. section 102 in that the patent was "anticipated"; and (3) that the patent in suit is invalid under 35 U.S.C. section 103 in that the differences between the claimed steering wheel cover and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made

by a person having ordinary skill in the pertaining art.[2] Each of these contentions of defendant will be separately discussed.

A. The alleged indefiniteness (35 U.S.C. §112).

In its pertinent language 35 U.S.C. section 112 provides:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same, and shall set forth the best mode contemplated by the inventor of carrying out his invention.
>
> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention. A claim may be written in independent or dependent form, and if in dependent form, it shall be construed to include all the limitations of the claim incorporated by reference into the dependent claim.

2. In its closing brief defendant asserts an inventorship defense under 35 U.S.C. section 102(f). Inasmuch as the question of inventorship was not raised by the Pre-Trial Order, plaintiffs made no attempt to meet this now asserted defense. Defendant's failure to give notice of such defense precludes its introduction at this late point.

Defendant claims that the patent in suit fails to comply with the above quoted provisions of section 112 in several particulars, namely, (1) that the patent fails to teach one skilled in the art how to make a steering wheel cover which would carry out the patented invention; (2) that the patent failed to disclose the "best mode contemplated by the inventor of carrying out his invention"; (3) that the patent improperly describes forming of the porous core and nonporous skins by calendaring; and (4) that the patent in suit is invalid on the basis that the claims of such patent define the steering wheel cover as being a "porous" foamed material, and the word "porous," according to defendant, standing alone is indefinite as not meeting the second paragraph of 35 U.S.C. section 112.

1. The patent teaches one how to make the steering wheel cover.

Defendant's contention that the patent in suit fails to teach one skilled in the art how to make a steering wheel cover which would carry out the patented invention was completely refuted by the testimony of defendant's expert witness, Nass, who testified that were a copy of the patent in suit in front of him he could readily make a steering wheel cover of the type shown in the patent in suit. When asked, "Wouldn't you say that certainly if you had a copy of the patent in suit in front of you, you could now readily make a steering wheel cover of the type shown in the patent in suit, using this old material and that old punching machine?" Mr. Nass responded, "Yes."

2. Best mode of carrying out invention.

Defendant's next contention under section 112 is that the patent does not disclose the extra outer skin utilized on plaintiffs' AVUS steering wheel cover made under the patent and, accordingly, that the patent fails to disclose the "best mode contemplated by the inventor of carrying out his invention." This ground of defense is not applicable in that defendant did not produce any evidence whatsoever establishing the actual best mode contemplated by the inventors of carrying out their invention at the time the patent application was filed. Moreover, the plastics expert, Dr. Feldharber, testified that *a nonporous skin* made as described by the patent would be strong enough — "high strength and wear resistant" — to withstand handling and that the primary purpose of the *extra outer skin* utilized in AVUS made under the patent was to permit attractive embossing.

While it is true that defendant's expert, Mr. Nass, testified that in his opinion the patent does not disclose *a suitable* outer skin for a steering wheel cover, Dr. Feldharber's testimony must be and is given greater weight and found to be more persuasive because he was instrumental in developing the plastic sheet material from which plaintiffs' steering wheel cover is made. Futhermore, Mr. Nass admitted that he had never tried one of the patented covers on a car, whereas Dr. Feldharber did do such a trial for a year and one-half. It should be further noted that Dr. Feldharber's expertise was acquired at the Freudenberg

factory where the plastic sheet material used to make both AVUS and defendant's covers is manufactured.

3. Calendaring method.

Defendant's third contention under section 112, that the patent improperly describes forming the porous core and nonporous skins by calendaring, is without merit and satisfactorily refuted by the testimony of Dr. Feldharber.

The patent refers to such process as follows at column 3, lines 37-42:

> Thus, if the foamed band is a polyvinyl chloride or other thermoplastic foam, the imperforate skins can be produced by calendaring the foamed band at a temperature in the region of the softening point thereof and without completely compressing the band.

Referring to the above statement, Dr. Feldharber testified:

> Q. Now, is the statement true, can such band be formed by calendaring?
>
> A. It could be done in this way, yes, this is correct.

4. Indefiniteness of the term "porous."

The court finds as unsound the defendant's contention that *United Carbon Co. v. Binney and Smith Co.*, 317 U.S. 228 (1942), requires *any* claim using the

term "porous" to be invalid. Patent claims are to be read liberally, see e.g., *Smith v. Snow*, 294 U.S. 1, 14 (1935). Drawings and specifications of the patent, while not available to enlarge a patent claim, can explain an ambiguity, see, e.g., *Illinois Tool Works, Inc. v. Brunsing*, 389 F.2d 38, 40 (9th Cir. 1968), and *Cool-Fin Electronics Corp. v. International Electronic Research Corp.*, 491 F.2d 660 (9th Cir. 1974).

The specification of the patent in suit at column 3, lines 50-61 clearly describes the porosity of the core as being adequate to permit air to be forced in and out of such cellular foam through the perforations when the operator grips the steering wheel to permit the cover to breathe internally and to permit the production of a pumping action which eliminates any possibility of stagnation within the cell core.

The patent in suit states, at column 3, lines 50-51:

> Such perforations are illustrated at 11 in the drawing and have been found to be effective when the operator of the vehicle grips the steering wheel to force air out of the cellular foam and then, upon release of the cover, permits air to flow into the cover. Not only do the perforations 11 thus permit the cover to breathe internally and afford access of air to the steering wheel crown, but they also serve to improve the grippability of the outer surface. The normal hand-over-hand steering operation produces a pumping action over substantially the entire cover band to eliminate any possibility of stagnation within the cells of the cover.

The word "porous" must be read in light of the above specification and the scientific definition thereof given by both plaintiffs' and defendant's expert as a material that is "at least 67 to 75 percent open cell construction."

B. Anticipation. 35 U.S.C. §102.

Defendant contends that the patent in suit is invalid under 35 U.S.C. section 102 in that such patent was "anticipated" by an advertisement for the Kamei-Autokomfort SPORT steering wheel cover published June 1964 and entitled "Anlage 807"; a SPORT advertisement published in the Fall of 1964; and German Utility Model 1,901,944 directed to the SPORT steering wheel cover.

Defendant relies upon the following portion of section 102:

> A person shall be entitled to a patent unless —
> (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States.

It is undisputed that the SPORT steering wheel cover suffered from the serious disadvantage that in use it became very sticky from perspiration and developed an unpleasant odor. Both of these shortcomings were exhibited by the SPORT cover introduced by defendants. Also, the foam sheet of the SPORT

cover would shift and bunch up underneath the nonporous cover and thereafter tear off. The SPORT steering wheel cover was not commercially successful and experienced a very high percentage of returns from dissatisfied customers, in the order of about 40 percent.

It is true that the two SPORT advertisements and the German Utility Model 1,901,944 were published more than one year prior to the effective date of the application for the patent in suit. However, neither of the two advertisements, nor the utility model, disclose a steering wheel cover

> formed from a band having a core of porous foamed material and a pair of nonporous surface skins of said material unitarily connected with said core and sandwiching said core between them, said band being provided with a multiplicity of throughgoing perforations extending substantially to said crown,

as recited in Claim 1 of the patent in suit. Moreover, the elements of the SPORT steering wheel cover described in the two advertisements and utility model did not provide the breathing function of the patented AVUS steering wheel cover, as was made clear by the following testimony given by Uwe Meier, a principal of plaintiff Kamei:

> Q. Well, would you give us the explanation again? Why is this sticky [SPORT] and why is this [AVUS] not sticky?

> A. Because there is no ventilation on this cover [SPORT], Exhibit D, and there is no air flow, like it is on the patented cover.

The SPORT cover differed from the patented cover in that the SPORT steering wheel cover utilized a relatively thin plastic outer band provided with a multiplicity of pores having the approximate diameter of a small needle hole. Inwardly of the band a plastic foam sheet was secured along its edges to the side of the band. The SPORT steering wheel cover was laced to a steering wheel.

Neither of the two SPORT advertisements relied upon by defendant disclosed the inner construction of the cover, nor did they disclose throughgoing perforations. With respect to the utility model the drawings and description disclose the two-piece construction and fail to disclose any throughgoing perforations. Instead, the utility model clearly shows the pores as being extended only through the *outer band* of the cover. Accordingly, these three publications fail to anticipate the claims of the patent in suit as "anticipation" is defined in *Walker v. General Motors Corp.*, 362 F.2d 56, 58 (9th Cir. 1966), where the court referred to "anticipation" as follows:

> As plaintiff points out, this court has said that "anticipation" is strictly a technical defense. Unless all of the same elements are found in exactly the same situation and united in the same way to perform the identical function in *a single prior art reference* "there is no anticipation." (Emphasis added).

This definition of anticipation was recently reaffirmed in *Cool-Fin Electronics Corp. vs. International Electronic Research Corp., supra*, 491 F.2d at 662 (9th Cir. 1974).

C. Obviousness. 35 U.S.C. §103.

Defendant contends that the patent in suit is invalid under 35 U.S.C. section 103 in that the differences between the claimed steering wheel cover and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the pertaining art. The prior art relied upon by defendant was represented by numerous items including eight steering wheel covers and other handle covers which were intended to solve the problems actually solved by plaintiffs' patented AVUS; four steering wheels provided with air ducts through which air is blown from an external source in an effort to prevent sweating hands; nine directed to non-steering wheel applications such as plastic chairs and pads; and six relating to methods and apparatus for making or perforating synthetic plastic sheet materials. Plaintiffs introduced into evidence several prior art steering wheel covers, none of which solve the problems solved by the patented steering wheel cover.

The "non-obviousness" test to be applied under 35 U.S.C. section 103 was set forth by the Supreme Court in *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966):

[T]he § 103 condition, which is but one of three conditions, each of which must be satisfied, lends itself to several basic factual inquiries. Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or nonobviousness, these inquiries may have relevancy.

See also *Reeves Instrument Corp. v. Beckman Instruments, Inc.*, 444 F.2d 263 (9th Cir. 1971), *cert. denied*, 404 U.S. 951 (1971).

The prior patents and the testimony elicited by the parties indicate that a "man of ordinary skill in the pertaining art," as defined in 35 U.S.C. section 103, at the time the invention in suit was made, would have been an individual cognizant of the problems to be solved by steering wheel covers, particularly the perspiration problem, and having some technical training in the properties of sythetic plastic materials. The scope and content of the prior art and the differences between the prior art and the claims at issue, namely, Claims 1-6 and 8 of the patent in suit can be readily determined by comparing the prior art patents and

publications with the patent in suit as aided by the trial testimony of patent experts Leonard Nass and Alfons Wassmeier. None of the prior art is directed to a porous plastic foam core sandwiched between a pair of unitarily connected nonporous skins. Further, none of the prior art included an integral steering wheel cover having a nonporous outer skin formed with throughgoing perforations from the steering wheel to the outer surface of the cover.

It is clear from the evidence that others skilled in the steering wheel art (including Karl Meier, one of the inventors of the patent in suit and the inventor of the SPORT cover) had been unable to develop a single cover that provided a satisfactory solution to the collective problems inherent to prior art steering wheel covers. These problems included the formation of perspiration resulting in stickiness and unpleasant odors, an uncomfortable feel, failure to remain securely attached to the steering wheel and breakdowns under use. The patented steering wheel cover not only provided a satisfactory solution to these problems but did so at a low cost of production, particularly as compared to the SPORT cover.

The inventors of the patent in suit were successful because they discovered the critical importance of providing a steering wheel cover of integral construction utilizing a porous core sandwiched between a pair of nonporous skins having throughgoing perforations to permit the cover to breathe when gripped by the driver. The failure of those skilled in the steering wheel cover art at the level of skill existing at the

time the invention of the patent in suit was made is a weighty indication that the patented discovery was not obvious. See, *Reeves Instrument Corp. v. Beckman Instruments, Inc., supra,* 444 F.2d 263 (9th Cir. 1971); *Neff Instrument Corp. v. Cohu Electronics, Inc.,* 298 F.2d 82 (9th Cir. 1961); and the recent *Cool-Fin* case referred to hereinabove in connection with the "anticipation" discussion.

In *Cool-Fin,* as in this case, others skilled in the field had been unable to find a satisfactory solution to the problems. The Court of Appeals indicated that such failure provided a "weighty indication" that the patented discovery was not obvious. The court also relied upon 'secondary considerations" as supporting its conclusion of nonobviousness, i.e., the invention fulfilled a long-felt need and was an undoubted commercial success. The similarity of the factual situation in this case to *Cool-Fin* will be apparent. In this case, it was well established that the patented steering wheel cover fulfilled a long-felt need and was an undoubted and immediate commercial success. Further secondary considerations indicating the nonobviousness of the patented cover are the initial skepticism with which the patented cover was received, as well as the recognition accorded the cover by the trade, including the licensee, Superior Industries, Inc. and the latter's sublicensee, Sterling Products Co., Inc. See *United States v. Adams,* 383 U.S. 39, 52.

A further indication of nonobviousness is the convincing evidence that the patented steering wheel cover substantially eliminated perspiration buildup.

Such perspiration build-up was reduced because of the cover's ability to breathe air in and out of the perforations as recited by the patent in suit. The ability of the cover to breathe through a nonporous outer skin via the perforations when gripped by a driver was a result both "unusual" and "surprising" in the steering wheel cover art. See *Hewlett-Packard Co. v. Tel-Design, Inc.,* 460 F.2d 625 (9th Cir. 1972).

The evidence clearly points to the nonobviousness of the invention and the court so finds.

As is apparent from the foregoing discussion defendant has failed to establish that the patent in suit is invalid under any of the provisions of sections 112, 102 or 103 of Title 35 U.S.C.

INFRINGEMENT

The defendant's accused steering wheel cover is represented by Plaintiffs' Exhibits 5-A and 6-A. Defendant's cover represented by 5-A is substantially identical in all respects to the patented AVUS cover of plaintiff Kamei. Defendant's cover represented by 6-A is the same as 5-A except that the tie cord is loose rather than being secured to the band. Plaintiffs' expert, Comstock, testified that all the elements of Claims 1-6 and 8 are found in defendant's steering wheel cover as represented by 5-A, and also that such steering wheel cover does the same work in the same way and accomplishes the same result as the combination recited in the claims of the patent in suit. He fur-

ther testified that defendant's 6-A included all the elements of Claims 1-4 and 8.

Defendant denied infringement relying primarily on the contention that the core of its steering wheel cover was not formed of "porous" foam material sandwiched between nonporous service skins. According to the defendant's plastic expert, Nass, a plastic foam is not porous unless it is "at least 65 to 70 percent open cell construction." The German plastic expert, Feldharber, corroborated this definition and in fact, BIALA 25, the material used to make both plaintiffs' AVUS and defendant's steering wheel cover is at least 65 percent open cell construction.

Defendant attempted to establish that the core of its cover was less than 65 percent open cell construction and was instead primarily of closed cell construction and thus not porous. In an effort to prove its core material to be nonporous, defendant introduced at the trial a steering wheel cover allegedly sold by defendant (Defendant's Exhibit MM). Defendant's expert witness, Nass, described the tests he made of a specimen (Defendant's Exhibit NN) taken from Exhibit MM. However, MM was not established as a product sold by defendant, and accordingly, neither MM nor NN was admitted into evidence.

At the trial Feldharber testified that the plastic sheet material BIALA 25 manufactured by Freudenberg and sold to plaintiff was *exactly* the same material that Freudenberg sold to Fleishman, a West German manufacturer of defendant's steering wheel

covers. This fact was not disputed by defendant. Dr. Feldharber also testified that such BIALA 25 material is at least 65 percent open cell construction. He further testified that the BIALA 25 material utilized a core of porous foam material and a pair of nonporous surface skins of the same material from which the core is made, with the core and two skins being unitarily connected. This description *exactly* conforms to the language of the claims of the patent in suit.

Dr. Feldharber additionally testified that Freudenberg tests its BIALA 25 material in connection with its manufacture of such material to make certain that the open cell percentage remains at least 65 percent, and that such tests included the periodic preparation of microphotographs. A sample of such microphotographs of BIALA 25 was introduced in evidence for examination by the court in conjunction with Feldharber's testimony.

At the trial defendant's counsel suggested a water submersion test to demonstrate that the BIALA 25 material was not porous and did not breathe. When the material was submerged, water was squeezed out. The following exchange with defendant's expert witness indicates the surprise with which defendant's counsel and the expert witness reacted when Feldharber squeezed the previously submerged BIALA 25 band and water was expelled therefrom.

> The COURT: Well, you ran that water test yesterday. That didn't quite turn out right, did it?

THE WITNESS: Frankly, it did not turn out the way we expected it to.

As indicated above the court is clearly satisfied and finds that the accused steering wheel covers fall within the claims of the patent in suit and that the patent in suit has been infringed.

CONCLUSION

Based upon the foregoing discussion of the issues of validity and infringement and the findings of fact and conclusions of law hereto attached and incorporated herein by reference as though set forth in full, the court concludes that claims 1-6 and 8 of the patent in suit are valid and infringed by the steering wheel covers of defendant. Judgment shall be entered decreeing that patent in suit is valid and infringed by defendant, that an injunction shall issue against such continued infringement and that an accounting shall be had in such manner as the court shall hereafter direct whereby plaintiffs can recover for past unauthorized sales of the patented steering wheel cover by defendant.

Dated: April 14, 1975

ALFONZO J. ZIRPOLI
United States District Judge

APPENDIX 4

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT
OF CALIFORNIA

KAMEI-AUTOKOMFORT,
a corporation of Germany,
and
SUPERIOR INDUSTRIES, INC.,
a corporation,

Plaintiffs,

vs.

EURASIA AUTOMOTIVE PRODUCTS,

Defendant.

No. C-72-289 AJZ

FINDINGS OF FACT, CONCLUSIONS OF LAW AND JUDGMENT

This case, having come on regularly for trial before the Honorable Alfonso J. Zirpoli, Judge of the United States District Court for the Northern District of California, Francis A. Utecht appearing as counsel for plaintiffs and Harvey G. Lowhurst appearing as counsel for defendant; evidence, oral, documentary and real, having been offered and introduced by and on behalf of plaintiffs and defendant, respectively, and memoranda having been received and reviewed by

the court, the cause was submitted to the court for decision, and the court makes its Findings of Fact and Conclusions of Law as follows:

Findings of Fact

1. This is an action for infringement of United States Letters Patent No. 3,312,124, issued April 4, 1967, and entitled STEERING-WHEEL ASSEMBLY FOR AUTOMOTIVE VEHICLES.

2. Plaintiff, Kamei-Autokomfort, is a company of West Germany having a place of business at Wolfsburg, West Germany, and is the owner of the patent in suit (Pretrial Order, Undisputed Facts 1 and 2).

3. Plaintiff, Superior Industries, Inc., is the sole and exclusive licensee under Patent No. 3,312,124 in suit by means of a License Agreement entered into with plaintiff, Kamei-Autokomfort (Pretrial Order, Undisputed Fact 5).

4. Defendant, EURASIA AUTOMOTIVE PRODUCTS, is a California corporation having a regular and established place of business within this District at 2450 Faber Place, Palo Alto, California, (Pretrial Order, Undisputed Fact 3).

5. Jurisdiction of this Court was properly invoked upon the ground that plaintiffs' cause of action arises under the Patent Laws of the United States, and such jurisdiction was not disputed.

6. Defendant sells steering-wheel covers within this district which plaintiffs contend infringe the patent

in suit and venue is not disputed (Pretrial Order, Undisputed Fact 8).

7. Patent application Serial No. 513,346, which issued as the patent in suit, was filed December 13, 1965, claiming the priority of West German Patent Applications K49698 filed December 14, 1964; K55392 filed February 26, 1965; K57515 filed October 28, 1965; and K52877 filed November 30, 1965 (Pretrial Order, Undisputed Fact 6).

8. The patent in suit (P Ex. 1) is directed to a steering-wheel cover comprising a band 3 of a synthetic plastic (such as polyvinyl chloride) having a porous foamed core and a pair of nonporous outer and inner surface skins 9a and 9b, respectively, of the same material as the core unitarily connected with the core and sandwiching the core between the skins. The band is provided with a multiplicity of throughgoing perforations which extend from the exterior of the band when it is mounted on a steering wheel to the crown of the steering wheel. In the preferred embodiment of the invention, the band is secured to the stering wheel crown by a relatively narrow tie cord 4 wound helically around the band. The foam core cushions the driver's hands. The skins provide abrasion resistance with respect to both the steering wheel and the driver's hands (TT 22). The skins also prevent any dirt or smell from entering the foam core (TT 697).

9. As set forth in the patent in suit, when the patented steering wheel cover is gripped by the driver's hands, air is forced out of the porous foam

core through the perforations. Upon release of the driver's grip, air returns into the porous core through such perforations. The perforations thus permit the cover to breathe internally and additionally, permit air to be directed to the steering wheel so as to prevent sweating of the wheel. The perforations also improve the gripability of the outer cover surface. Because of such breathing, hand-over-hand steering operation over the entire cover eliminates stagnation within the cells of the cover's core (P Ex. 1, Column 3, lines 42-61).

10. A bare steering wheel is cold to the touch during winter and can be very hot to the touch in summer. Accordingly, many people have worn driving gloves (TT 103). Additionally, in hot weather perspiration collects on a bare steering wheel, particularly in humid climates, requiring that the wheel be constantly wiped off (TT 687, 688). Attempts to overcome the perspiration problem have been made in the past, including providing the steering wheel with air ducts for ventilating the driver's hands. Representative of such attempted soultions are Kier U. S. Patent No. 3,149,501 issued September 22, 1964 (D Ex. H); French Patent No. 1,177,489 issued June 24, 1957 (D Ex. N-1); and German Utility Model 1,718,853, registered March 15, 1956 (D Ex. L-1, L-2)

11. The serious nature of perspiration problem is concisely set forth in German Utility Model 1,718,853, as follows:

> "on vehicles, a study has been made of steering wheels of such a nature that they have good adherence properties with regard to hands. For this purpose roughening of the surface or corrugations are provided on the rim of the steering wheel but it has been established that the adherence sought is adequately obtained when the holder of the steering wheel has dry hands, but not when his hands are moist. In present-day traffic conditions the driver's hands are always moist. This is produced by bad physical conditions, and also from the perspiration resulting from stress. Moistness of the surface of the hands in contact with * * * steering wheel leads to a considerable reduction in safety. Further, the physical temperament of the driver can put this safety at risk." (D Ex. L-2)

Kier U. S. Patent No. 3,149,501 (D Ex. H) also sets forth the serious nature of the perspiration problem at Column 3, lines 3-15, as follows:

> "Many people who drive automobiles sweat profusely, particularly in the hands. This hand sweating becomes very irksome when driving a car and has even been suspected in some cases to be a contributing factor to certain automobile accidents including some fatal ones in which passengers as well as drivers have been killed or seriously injured."

12. Various covers for steering wheels have been proposed over the last approximately 30 years (TT 92). Defendant introduced into evidence many United States and foreign prior art patents and advertisements directed to stering wheel covers. Typical

of prior art steering wheel covers is P Ex. 15, consisting of a generally doughnut-shaped cover, made of terry cloth. This type of cover offered insulation from heat and cold, however, it became dirty rapidly and also slipped off the wheel easily (TT 104). Later steering wheel covers were formed of Nylon or other synthetic materials (P. Ex. 16), but suffered from the same problems (TT 105). Around 1963, a plastic or leather fabric lace-on cover was introduced (P. Ex. 17). Such cover did not slip off readily and was more durable than the terry cloth covers, but became sticky with use (TT 106, 107). Another similar prior art cover was made of leather reinforced with metal eyelets through which lacing was strung (P Ex. 18). Such cover was uncomfortable to the driver's fingers and thumbs and also had the same problem of becoming sticky with constant use (TT 107).

13. In mid-1964, plaintiff Kamei-Autokomfort began to market a steering wheel cover under the trademark SPORT (P Ex. 19 and 20) (D Ex. D). The SPORT steering wheel cover consisted of a relatively thin synthetic plastic band provided with a multiplicity of pores having the approximate diameter of a small needle hole. Inwardly of the band a plastic foam sheet was secured along its edges to the sides of the band. The SPORT steering wheel cover was laced to a steering wheel.

14. The SPORT steering wheel cover suffered from the serious disadvantage that in use it became very sticky from perspiration and developed an unpleasant odor (TT 680, 688). The stickiness and unpleasant

odor were exhibited by the SPORT cover introduced by defendants as D Ex. D. Also, the foam sheet of the SPORT cover would shift and bunch up underneath the nonporous cover and thereafter become torn off (TT 109, 681). The SPORT steering wheel cover was not commercially successful and experienced a very high percentage of returns from dissatisfied customers, in the order of about 40 percent (TT 703).

15. Karl Meier, the inventor of the Kamei-Autokomfort SPORT steering wheel cover, was a co-inventor with his son Klaus Meier of Patent No. 3,312,124 in suit. German Utility Model No. 1,091,944 was registered August 19, 1964 to Karl Meier for the SPORT type steering wheel cover (D Ex. I).

16. Because Karl and Klaus Meier were dissatisfied with the Kamei-Autokomfort SPORT steering wheel cover, particularly because of the high percentage of returns of such covers, they conceived a steering wheel cover formed of an open cell plastic material which would breathe and reduce perspiration build-up (TT 673). The Meier's were not aware of any such material being marketed and accordingly, went to Freudenberg, a large (approximately 14,000 employees) plastic sheet manufacturer located at Weinheim, West Germany to have such material developed (TT 673).

17. At Freudenberg Karl and Klaus Meier contacted Hans Jurgen Fehlhaber, a graduate chemist and technical manager and developer of plastics and coating materials for Freudenberg. The Meier's de-

scribed the properties they desired for an improved steering wheel cover (TT 477). Freudenberg had never manufactured an open cell plastic foam having impervious skins prior to the first contact with the Meier's (TT 478). At the request of the Meier's, Freudenberg developed this material and a first small shipment was made to Kamei-Autokomfort in April 1964 (TT 481). So far as Freudenberg was aware, open celled plastic foam material, having imperforate skins, was not being manufactured prior to the Meier's contact with Freudenberg (TT 480) (P Ex. 25 and 26). The Meier's suggested perforating this material and Freudenberg manufactured punching tools on the basis of designs made by the Meier's (TT 478) (P Ex. 25 and 26). The facts set forth in this finding were confirmed by Mr. Fehlhaber, who appeared as a trial witness for plaintiffs.

18. When the Meier's received the Freudenberg foam plastic material, they prepared sample steering wheel covers and gave them to Kamei-Autokomfort staff and to salesmen for use on their cars. These users were surprised at the reduction of perspiration, cushioning comfort and improved grip provided by these test covers (TT 679). This development continued until mid-1964, with production and sales of the patented cover beginning in September 1964 (TT 678) under the trademark AVUS (P Ex. 2, 4).

19. The trade recognition of the patented AVUS steering wheel cover was prompt, widespread and uniformly favorable. In 1966, the first full year of AVUS sales, about 646,000 covers were sold. In 1967

about 1,215,000 were sold, followed by about 1,266,000 in 1968. Through November 30, 1973, approximately 7,867,500 AVUS covers were sold by Kamei-Autokomfort in the United States and in other countries (TT 682, 683).

20. The patented AVUS covers were widely adopted by leading vehicle manufacturers and distributors of automotive products. Ford sells Kamei-Autokomfort's patented covers under private label (P. Ex. 31). Volkswagen also sells Kamei-Autokomfort's patented cover under a Volkswagen label (P Ex. 30) and every Volkswagen dealer has AVUS catalog sheets (P Exs. 36, 37) in his files (TT 685).

21. The patented AVUS cover solved the problems inherent to the prior art covers including the SPORT steering wheel cover. The patented AVUS cover did not build up perspiration and therefore, did not get sticky as did the SPORT cover (TT 672). This was due to the fact that the SPORT cover could not breathe fresh air from outside the cover into the foam sheet (TT 499,697). The patented AVUS cover reduced production costs because of its one-piece construction as compared to the two-piece construction of the SPORT. Additionally, since the patented AVUS cover is of one-piece unitary construction, it eliminated the disadvantage of the SPORT cover that the foam sheet rolled out of the band and tore off after a certain amount of usage (TT 681). When Kamei-Autokomfort introduced the patented AVUS cover, the demand for the SPORT cover immediately dried up and Kamei-

Autokomfort stopped selling the SPORT cover (TT 681).

22. Plaintiffs introduced convincing evidence that the patented steering wheel cover substantially eliminated perspiration build-up (Comstock TT 89, Borick TT 94, Felder TT 112, Fehlhaber TT 499, and Meier TT 672), and this evidence was not disputed by defendant. Such perspiration build-up was reduced because of the cover's ability to breathe air in and out of the perforations as recited by the patent in suit (TT 688). The ability of the cover to breathe through a nonporous outer skin when gripped by a driver was a result both "unusual and surprising" in the steering wheel cover art.

23. Shortly after the patented AVUS cover was introduced to the trade, it came to the attention of Harlan Felder of Cleveland, Ohio who distributed and imported automobile accessories. Mr. Felder has for the last 3½ years been director of merchandising for Superior Industries. He has been connected with the automobile after-market for the past 15 years (TT 102, 103).

24. Mr. Felder showed samples of the patented AVUS cover to various distributors and dealers throughout the Middle West and the East. Initially, the reaction of such persons was that the AVUS was "just another steering wheel cover" (TT 113). When, however, these persons had an AVUS cover installed on their cars, Mr. Felder received quite a few orders (TT 113). The patented cover gained immediate acceptance from the automobile dealers and distributors

contacted by Mr. Felder and he placed an order for 10,000 covers from Kamei-Autokomfort (TT 114) Prior to this time, Mr. Felder had been selling the Kamei-Autokomfort SPORT steering wheel cover, but when he began to sell the patented AVUS cover, he could no longer sell the SPORT cover (TT 114). Realizing that he did not have the national distribution required to handle expected demand for the patented AVUS cover, Mr. Felder contacted Louis Borick, President of plaintiff, Superior Industries, Inc., and offered to turn over United States sales of the patented AVUS cover to Superior Industries, Inc. (TT 114).

25. Superior Industries, Inc. has been engaged in the marketing and manufacture of automotive accessory products since 1957 and is well recognized ac- the trade (TT 90). Its President, Louis Borick, has been in the after-market automotive accessory manufacturing and marketing business approximately 20 years (TT 90). When Mr. Borick was approached by Harlan Felder with an offer to take over United States sales of the patented steering wheel cover, he was initially skeptical that such cover could provide the results claimed for it and compete with existing steering wheel covers (TT 93). Not only was he skeptical that the patented cover would, in fact, breathe, provide a comfortable grip, maintain its appearance, and keep the steering wheel cool in the summer and comfortably warm in the winter, but he was particularly skeptical about the claim that the patented cover would reduce or eliminate perspiration (TT 94).

26. On February 19, 1968 plaintiff, Superior Industries, Inc., entered into an exclusive license agreement, under the patent in suit, with plaintiff, Kamei-Autokomfort for the United States, Canada and Mexico (P Ex. 39). Superior Industries, Inc. manufactured and sold patented steering wheel covers under the trademark SPORT GRIP (P Ex. 40 and 40-A). Despite the fact that Superior Industries, Inc. did not heavily advertise the patented steering wheel cover as compared to its other products (TT 98), such cover was a commercial success, as was stipulated by defendant (TT 96). In 1968 Superior Industries sold almost 137,000 of the patented steering wheel covers; in 1969 about 536,515; in 1970 about 720,909; in 1971, approximately 1,188,481; in 1972 approximately 1,507,602; and during the first 9 months of 1973 about 1,219,599, for a total of approximately 5,310,089 at a dollar volume of about $8,207,806.00.

27. After Superior Industries, Inc., began to market its patented steering wheel cover, various infringers of the patent in suit appeared, including Sterling Products Company, Inc. of St. Paul. In June 1970 litigation between Superior Industries, Inc. and Sterling Products Company, Inc. was settled by means of a sub-license agreement (P Ex. 42) and Sterling Products Company, Inc. has paid Superior Industries, Inc. through the first six months of 1973, royalties in the amount of $53,112.57, based upon the sale of 521,952 units (P Ex. 43).

28. Plaintiff, Superior Industries, Inc. has applied the patent marking of the patent in suit to its

SPORT GRIP cover since it began marketing such patented cover (TT 98).

29. Defendant does not pay royalties to plaintiff, Kamei-Autokomfort, and hence, defendant has been able to sell at a substantially lower cost than Superior Industries, Inc. Plaintiff, Kamei-Autokomfort has been damaged because it did not receive royalties from defendant's sales of infringing covers. Each infringing cover that is sold by defendant represents a sale not made by plaintiff, Superior Industries, Inc. or its licensee, Sterling Products Company, Inc. (TT 98). Accordingly, both plaintiffs have been damaged by the sale of defendant's accused covers.

30. Defendant contended that Patent No. 3,312,124 in suit was invalid for failure to comply with the provisions of 35 U.S.C. 102, 35 U.S.C. 103 and 35 U.S.C. 112.

31. With respect to 35 U.S.C. 112, defendant contended that the patent in suit fails to teach one skilled in the art how to make a steering wheel cover which would carry out the patented invention. Specifically, defendant contended the patent does not teach the size and number of perforations and the thickness and compressibility of the foam. This ground of defense was completely refuted by the testimony of defendant's expert witness Leonard Nass when he testified that if he had a copy of the patent in suit in front of him, he could readily make a steering wheel cover of the type shown in the patent in suit (TT 379).

32. Defendant also contended that the patent in suit was invalid under the provisions of 35 U.S.C. 112

because the patent does not disclose the extra outer skin utilized on plaintiff Kamei-Autokomfort's AVUS steering wheel covers made under the patent in suit and accordingly, that the patent in suit failed to disclose the "best mode contemplated by the inventor of carrying out his invention" as required by the first paragraph of 35 U.S.C. 112. This ground of defense is not applicable if for no other reason than that defendant did not adduce any evidence whatsoever establishing the actual best mode contemplated by the inventors Karl and Klaus Meier of carrying out their invention at the time the patent application was filed. Moreover, the plastics expert Fehlhaber testified that a nonporous skin made as described by the patent in suit would be strong enough to withstand handling (TT 60). Further, that the primary purpose of the extra outer skin utilized on the Kamei-Autokomfort's commercial cover was to permit attractive embossing (TT 599, 600) and that the inner and outer skins, as shown in the patent in suit, are both high-strength and tear-resistant (TT 598). Although defendant's plastics expert Leonard Nass testified at the trial that in his opinion the patent in suit does not disclose a suitable outer skin for a steering wheel cover (TT 355), the Court chose to believe the contrary testimony of Mr. Fehlhaber, particularly since Mr. Nass had never tried one of the patented covers on a car (TT 401), while Fehlhaber had used one for 1½ years (TT 498).

33. Defendant additionally contended the patent in suit to be invalid under the provisions of 35 U.S.C.

112 on the basis that such patent improperly described forming the porous core and nonporous skins by calendaring. This defense was effectively refuted by Mr. Fehlhaber when he testified that the product could, in fact, be made by calendaring (TT 600, 601).

34. Defendant finally contended the patent in suit to be invalid under the provisions under 35 U.S.C. 112 on the basis that the claims of the patent in suit define the steering wheel cover core as being a "porous" foamed material. The word "porous", according to defendant, standing alone, is indefinite as not meeting the second paragraph of 35 U.S.C. 112. The specification of the patent in suit, however, clearly describes the porousity of the core as being adequate to permit air to be forced in and out of such cellular foam through the perforations when the opertor grips the steering wheel to permit the cover to breathe internally and to permit the production of a pumping action which eliminates any possibility of stagnation within the cells of the core (Ex 1, Column 3, lines 50-61).

35. Defendant contended the patent in suit to be invalid under the provisions of 35 U.S.C. 102 on the basis that such patent was "anticipated" by an advertisement for the Kamei-Autokomfort SPORT steering wheel cover published June 1964 and entitled "Anlage 807" (D Ex. A-1, A-2), a SPORT advertisement published in the Fall of 1964 (D Ex. B), and the above referred-to German Utility Model 1,901,944 (D Ex. I-1) directed to the SPORT steering wheel cover. Neither of the two advertisments, nor the Utility

Model disclose a steering wheel cover "formed from a band having a core of porous foamed material and a pair of nonporous surface skins of said material unitarily connected with said core and sandwiching said core between them, said band being provided with a multiplicity of throughgoing perforations extending substantially to said crown", as recited in Claim 1 of the patent in suit. Moreover, the elements of the SPORT steering wheel cover described in the two advertisements and Utility Model do not provide the breathing function of the patented steering wheel cover (TT 697).

36. Defendant contended the patent in suit to be invalid under the provisions of 35 U.S.C. 103. Thus, defendant alleged the differences between the claimed steering wheel cover and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the pertaining art, i.e., the steering wheel cover art.

37. The scope and content of the prior art is defined by and fully set forth in the patents and publications introduced into evidence by the defendant, and the prior steering wheel covers introduced into evidence by plaintiffs. Of the numerous items of prior art relied upon by defendant, 8 are steering wheel covers and other handle covers which were intended to solve the problems actually solved by plaintiff's patented steering wheel cover; 4 are steering wheels provided with air ducts through which air is blown from an external source in an effort to prevent sweating hands;

9 are directed to non-steering wheel applications, such as plastic chair or seat pads; and 6 relate to methods and apparatus for making or perforating synthetic plastic sheet materials. None of the prior art is directed to a porous plastic foam core sandwiched between a pair of unitarily connected nonporous skins. Further, none of the prior art included an integral steering wheel cover having a nonporous outer skin formed with throughgoing perforations from the steering wheel to the outer surface of the cover.

38. Based upon a review of the prior patents and the testimony elicited by the parties, it would appear that a "man of ordinary skill in the pertaining art" as defined in 35 U.S.C. 103, at the time the invention of the patent in suit was made, would have been an individual cognizant of the problems to be solved by steering wheel covers, particularly the perspiration problem, and having some technical training in the properties of synthetic plastic materials.

39. Defendant's accused steering wheel cover is represented by P Ex. 5-A and 6-A. Defendant's cover represented by P Ex. 5-A is substantially identical in all respects to the patented AVUS cover of plaintiff, Kamei-Autokomfort. Defendant's cover represented by P Ex. 6-A is the same as P Ex. 5-A except that the tie cord is loose rather than being secured to the band. Plaintiffs' expert witness, Robert C. Comstock testified that all of the elements of Claims 1-6 and 8 are found in defendant's steering wheel cover as represented by P Ex 5-A, and also that such steering wheel cover does the same work in the same way and ac-

complishes the same result as the combination recited in the aforementioned claims of the patent in suit (TT 30-49). He testified that defendant's steering wheel as represented by P Ex. 6-A included all of the elements of Claims 1-4 and 8. Mr. Comstock's testimony included reference to several claim charts which clearly established the aforementioned identity of elements and results (P Ex. 9-13).

40. Defendant denied infringement relying solely upon the contention that the core of its steering wheel cover was not formed of "porous" foamed material sandwiched between nonporous service skins. According to defendant's plastic expert witness Nass, a plastic foam is not porous unless it is "at least 65 to 75 percent open cell construction" (TT 338). The German plastics expert Fehlhaber corroborated this definition (TT 491).

41. Defendant attempted to establish that the core of its cover was less than 65 percent open cell construction and was instead, primarily of closed cell construction and thus, not porous. In an effort to prove its core material to be nonporous, defendant introduced at the trial a steering wheel cover allegedly sold by defendant (D Ex. MM). Defendant's expert witness Nass described tests he had made of a specimen (D Ex. NN) taken from D Ex. MM. D Ex. MM, however, was not established as being a product sold by defendant and accordingly, neither D Ex. MM nor D Ex. NN were admitted into evidence.

42. The German plastics expert Fehlhaber testified at the trial that the plastic sheet material BIALA

25 manufactured by Freudenberg and sold to plaintiffs, was exactly the same material that Freudenberg sold to Fleishmann, a West German manufacturer of defendant's steering wheel covers.

43. Fehlhaber also testified that such BIALA 25 material is at least 65 percent open cell construction (TT 522). He further testified that the BIALA 25 material utilized a core of porous foamed material and a pair of nonporous surface skins of the same material from which the core is made, with the core and the two surface skins being unitarily connected (TT 486). This description exactly conforms to the language of the claims of the patent in suit.

44. Fehlhaber additionally testified that Freudenberg tests its BIALA 25 material in connection with its manufacture of such material to make certain that the open cell percentage remains at least 65 percent (TT 491, 492), and that such tests included the periodic preparation of mirophotographs (TT 493). A sample microphotograph of BIALA 25 (P Ex. 56) was examined by this Court in conjunction with Fehlhaber's testimony. This Court finds the BIALA 25 plastic foam material utilized by both plaintiffs and defendant to be at least 65 percent open cell construction and therefore to be "porous" as that term is employed by the claims of the patent in suit. Accordingly, since it is undisputed that all of the other elements of the claims at issue are found in defendant's accused cover, such cover infringes these claims.

45. Any conclusion of law hereinafter recited

which should be a finding of fact is hereby adopted as such.

Conclusions of Law

From the foregoing facts, the Courts makes the following conclusions of law:

1. This Court has jurisdiction of the parties and the subject matter of the action.

2. Plaintiff, Kamei-Autokomfort is the owner of the entire right, title and interest, in and to Patent No. 3,312,124 in suit.

3. Plaintiff, Superior Industries, Inc. is the sole and exclusive licensee under Patent No. 3,312,124 in suit.

4. Claims 1-6 and 8 of the patent in suit meet all of the requirements of validity including those set forth in 35 U.S.C. 102, 103 and 112. The remaining Claim 7 of the patent in suit is not in issue and is not considered by this Court.

5. With regard to defendant's contention that the patent in suit is invalid under the provisions of 35 U.S.C. 112 because such patent fails to teach one skilled in the art how to make a steering wheel cover which would carry out the patented invention, the Court notes 35 U.S.C. 282 places the burden of establishing indefiniteness on defendant, the pertinent portion of 35 U.S.C. 282 reading as follows:

> "A patent shall be presumed valid * * * *The burden in establishing invalidity of a patent or any claim thereof shall rest on the party asserting it.*" (Emphasis added)

Defendant herein did not introduce any convincing evidence that one skilled in the art could not make a steering wheel cover which would carry out the patented invention. On the contrary, defendant's expert Nass testified he could readily make a steering wheel cover of the patented type if he had a copy of the patent in suit before him. The Court concludes that the patent in suit complies with the provisions of 35 U.S.C. 12 so far as the adequacy of the description is concerned.

6. With regard to defendant's contention that the patent in suit is invalid under the provisions of 35 U.S.C. 112 because the claims thereof do not adequately define the term "porous," the court is aware that patent claims are to be read liberally, see, e.g., *Smith v. Snow*, 294 U.S. 1, 14 (1935). Drawings and specifications of the patent, while not available to enlarge a patent claim, can explain an ambiguity, see, e.g., *Illinois Tool Works, Inc. v. Brunsing*, 389 F.2d 38, 40 (9th Cir. 1968), and *Cool-Fin Electronics Corp. v. International Electronic Research Corp., Inc.*, 491 F.2d 660 (9th Cir. 1974). The specification clearly describes the porosity as being adequate to permit the cover to breathe. Accordingly, the court concludes that the claims of the patent in suit particularly point out and distinctly claim the subject matter which the inventors regard as their invention.

7. The court finds no merit in defendant's contentions that the patent in suit failed to describe the best mode contemplated by the inventors of carrying out their invention, or that such patent improperly described forming the porous core and nonporous skins by calendaring. The patent in suit complies with all the provisions of 35 U.S.C. 112.

8. The patent in suit is not anticipated by the prior art so as to be invalid under the provisions of 35 U.S.C. 102 because all of the same elements of such patent claims are not found in exactly the same situation and united in the same way to perform an identical function in any one of the prior pleaded patents or publications. *Stauffer v. Slenderella Systems, Inc.*, 245 F.2d 127 (9th Cir. 1957); *National Lead Co. v. Western Lead Products Co.*, 324 F.2d 539 (9th Cir. 1963); *Walker v. General Motors Corp.*, 362 F2d 56 (9th Cir. 1966); *Cool-Fin Electronics Corp. v. International Electronic Research Corp., supra.*

9. This court has carefully considered the applicability of the "nonobviousness" test set forth in 35 U.S.C. 103 as directed by the Supreme Court in *Graham v. John Deere Co.*, 383 U. S. 1 (1966):

> [T]he § 103 condition, which is but one of the three conditions, each of which must be satisfied, lends itself to several basic factual inquiries. Under § 103, the scope and content of the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or nonobviousness, these inquiries may have relevancy.

383 U.S. 1 at 17-18 (1966); see also *Reeves Instrument Corp. v. Beckman Instruments, Inc.*, 444 F.2d 263 (9th Cir. 1971), *cert. denied*, 404 U.S. 951 (1971).

10. In testing Claims 1-6 and 8 of the patent in suit for nonobviousness, the court has carefully examined the scope and the content of the prior art, the differences between the prior art and the claims at issue and the level of ordinary skill in the steering wheel art. The evidence shows that others skilled in the steering wheel cover art (including Karl Meier, one of the coinventors of the patent in suit) had been unable to develop a single cover that provided a satisfactory solution to the collective problems inherent to prior art steering wheel covers, namely, the formation of perspiration resulting in stickiness and unpleasant odors, an uncomfortable feel, failure to remain securely attached to the steering wheel and breaking down after use. The patented steering wheel cover not only provided a satisfactory solution to these problems, but it did so at a low cost of production. The inventors were successful because they discovered the critical importance of providing a steering wheel cover of integral construction utilizing a porous core sandwiched between a pair of nonporous skins having

throughgoing perforations to permit the cover to breathe when gripped by the driver. The failure of those skilled in the steering wheel cover art at the level of skill existing at the time the invention of the patent in suit was made to solve the aforementioned problem is a weighty indication that the patented discovery was not obvious. See *Reeves Instrument Corp. v. Beckman Instruments, Inc.*, 444 F.2d 263 (9th Cir.) *cert. denied*, 404 U.S. 951 (1971); *Neff Instrument Corp. v. Cohu Electronics, Inc.*, 298 F.2d 82 (9th Cir. 1961); *Cool-Fin Electronics Corp. v. International Electronic Research Corp.*, 491 F.2d 660 (9th Cir. 1974).

11. Certain secondary considerations as set forth in *Graham v. John Deere Co.*, 383 U.S. 1 at 17-18, support this court's conclusion of nonobviousness. The patented steering wheel cover fulfilled a long-felt need. It was an undoubted and immediate commercial success. See *Cool-Fin Electronics Corp. v. International Electronic Research Corp., supra.* The initial skepticism with which the patented cover was received indicates nonobviousness, as does the recognition accorded such cover by the trade, including the licensee, Superior Industries, Inc. and the latter's sub-licensee, Sterling Products Company, Inc.

12. With respect to 35 U.S.C. 103, applying the requirement of an "unusual or suprising result" as a basis for nonobviousness as directed in the case of *Hewlett-Packard Co. v. Tel-Design, Inc.*, 460 F.2d 625 (9th Cir. 1972), the court concludes that plaintiffs have established that the ability of the patented

steering wheel cover to breathe through the perforations thereof when gripped by a driver to thereby substantially eliminate the buildup of perspiration on such cover was an unusual or surprising result in the steering wheel art. Accordingly, the court concludes that Claims 1-6 and 8 of the patent in suit comply with the unusual or surprising result basis of nonobviousness of 35 U.S.C. 103.

13. All of the elements of Claims 1-6 and 8 are found in defendant's cover identified as Plaintiffs' Exhibit 5, with such elements providing the same results in the same manner as recited in these claims. Accordingly, defendant's steering wheel cover of the type exemplified by Plaintiffs' Exhibit 5-A infringes such claims. Defendant's steering wheel cover represented by Plaintiffs' Exhibit 6-A is identical to that represented by Plaintiffs' Exhibit 5-A, with the exception that the tie cord is not secured to the band as recited in Claims 5 and 6 of the patent in suit. Accordingly, defendant's steering wheel cover represented by Plaintiffs' Exhibit 6-A infringes Claims 1-4 and 8 of the patent in suit. *Graver Tank & Mfg. Co., Inc. v. Linde Air Products Co.*, 339 U.S. 605, 607 (1950); *Stearns v. Tinker & Rasor*, 252 F.2d 589, 599 (9th Cir. 1957).

14. Plaintiffs are entitled to an award of damages for defendants' acts of infringement under the provisions of 35 U.S.C. 284.

15. The issue of damages is to be referred to a United States Magistrate for the Northern District of

California as a Master under Rule 53 of the Federal Rules of Civil Procedure.

16. Plaintiffs are to recover from defendant their costs in the amount of $.....

17. Any finding of fact hereinbefore recited which should be a conclusion of law is hereby adopted as such.

Dated: April 14, 1975

ALFONSO J. ZIRPOLI
United States District Judge

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT
OF CALIFORNIA

KAMEI-AUTOKOMFORT,
a corporation of Germany,

and

SUPERIOR INDUSTRIES, INC.,
a corporation,

Plaintiffs,

vs.

EURASIA AUTOMOTIVE PRODUCTS,

Defendant.

No. C-72-289 AJZ

JUDGMENT

In accordance with the Findings of Fact and Conclusions of Law filed herewith, it is ORDERED, ADJUDGED and DECREED:

1. That Claims 1-6 and 8 of United States Letters Patent No. 3,312,124 are good and valid in law.

2. That defendant has infringed said claims.

3. That plaintiff, Kamei-Autokomfort, is the owner of said patent.

4. That plaintiff, Superior Industries, Inc., is the exclusive licensee of said patent.

5. That plaintiffs have judgment on their complaint and a permanent injunction and an accounting under Rule 53 of the Federal Rules of Civil Procedure, with a United States Magistrate for the Northern District of California serving as a Master.

6. That plaintiffs are to recover from defendant their costs in the sum of $.....

Dated: April 14, 1975

ALFONSO J. ZIRPOLI
United States District Judge

CERTIFICATE OF SERVICE

I, FRANCIS A. UTECHT, a member of the Bar of this Court, hereby certify that on July 28, 1977, three copies of the attached PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT were mailed, postage prepaid, to Harvey G. Lowhurst, Esq., Lowhurst & Aine, Two Palo Alto Square, Palo Alto, California 94304, counsel for the respondent. I further certify that all parties required to be served have been served.

Francis A. Utecht

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